

WORLD NEWS

RUSSIAN ECONOMY NEW GOVERNMENT SAYS IT PLANS TO RE-ESTABLISH STATE MONOPOLIES AND PRINT MORE ROUBLES

Primakov defies IMF advice

By John Thornhill in Moscow

Yevgeny Primakov, Russia's prime minister, yesterday defied his government's economic strategy, saying the main priorities would be to stabilise the ruble "by economic means" and honour all the country's debt obligations.

But in a clear sign he would adopt a more interventionist approach than the previous government, Mr Primakov said he intended to reimpose state monopolies on the production and distribution of tobacco and alcohol.

Separately, the central bank said it was finalising a plan to re-establish direct control over an increasing

share of exporters' hard currency earnings. It also confirmed it would print money to buy back frozen government debt from domestic banks, injecting liquidity into the banking system.

Some elements of Mr Primakov's programme clearly run counter to the International Monetary Fund's advice that Russia should further liberalise its economy, suggesting there could be some tough talking ahead.

"We have every reason to count on IMF support," Mr Primakov said. "However, we will not accept ultimatums from international organisations and we will follow the path which we regard as best."

Some liberal politicians are already voicing concerns about the drift of Mr Primakov's economic policy. Grigory Yavlinsky, the leader of the Yabloko party, said the new government was exhibiting "very scary symptoms" which prevented his team from joining the cabinet.

Mr Yavlinsky said the decision to put Yuri Maslyukov, a Communist MP, in charge of economic policy and appoint Victor Gerashchenko as head of the central bank threatened to unleash a wave of uncontrollable inflation. He said he did not believe these two men would be strong enough to stop further emissions of money once the printing presses started to roll.

"I am afraid that a 'controlled' emission would very soon turn into an uncontrolled rainfall of money," he said, in an interview with the Financial Times.

But Mr Yavlinsky, the first parliamentary leader to back Mr Primakov's candidacy as prime minister, warmly praised the political skills of the 68-year-old former foreign minister, who was overwhelmingly endorsed by parliament a week ago.

"By this nomination we have avoided a disaster," Mr Yavlinsky said. "Russia needed a legitimate public figure who could be some kind of understudy to the president and who could, if necessary, handle [presidential] elections."



As the ruble continues its fall and winter approaches, elderly women queue for potatoes in Moscow

Bildt to resist minority 'turmoil'

By Tim Burt in Stockholm

The prospect of political turmoil in Sweden rose yesterday after Carl Bildt, leader of the opposition Moderate party, warned that he would seek a vote of no confidence in the ruling Social Democrats if they tried to form another minority government following tomorrow's general election.

Mr Bildt, a former prime minister and international peace envoy to Bosnia, said attempts to form a left-of-centre minority government could further destabilise the krona and equity market.

"What I fear and will not accept is turmoil where the SDF forms a minority seeking support from different parties on a weekly basis," Mr Bildt said.

He was speaking as opinion polls indicated the SDF's share of the vote would fall from 45.3 per cent at the last election to about 37 per cent. If that were the result tomorrow, it would be one of the SDF's worst showings since the second world war.

Both the SDF and the Moderates - on about 25 per cent - have lost ground to smaller parties during the campaign. The former communist Left party has seen its support rise from 6.2 per cent in 1994 to almost 12 per cent, mainly by wooing disaffected SDF supporters.

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West may demand payment in dollars

By Clay Harris in London and Arkady Ostrovsky in Moscow

Western banks preparing to enter negotiations with the Russian government over short-term government debt are leaning towards demanding settlement in dollars, rather than rubles.

By the end of a third day of talks yesterday in London, a group of 18 European, US and Japanese banks had not reached a decision on the issue, but one participant said a consensus was emerging in favour of dollars.

The banks yesterday sent a second letter to Yevgeny Primakov, the new Russian prime minister. It urged him to postpone for "the longer term" any deadline for exchanging GKOs and OFZs, the short-term instruments on which the government effectively defaulted last

month, for new securities. They also told him that a working party of 10 banks, led by Deutsche Bank, would represent them in talks. Formal discussions are expected to begin next week with the finance ministry and Russian regulatory authorities.

Edson Mitchell, Deutsche's head of global markets, will chair the working party. In addition to Deutsche and Credit Suisse First Boston, as deputy, members include ABN Amro, Chase Manhattan, Citibank, Nomura and four other banks.

On Thursday, the banks had told Mr Primakov that proposed terms - denominated in rubles, and expected to be worth only 4 cents on the dollar - were "unacceptable and [were] being forced upon creditors unilaterally in an unacceptable manner."

Local representatives of the banks which signed the letter were summoned yesterday to a meeting with the Russian Securities and Exchange Commission.

Mr Primakov said Russia would honour its international obligations. "The prestige of the country has been dealt a severe blow," he said.

Some banks admit they have little prospect of extracting much more money. A senior banker said: "We know they cannot pay, but before we agree to something, they have to sit down with us. We will not accept unilateral action."

But he added: "If they don't sit down and negotiate, they are going to be sued all over the world. All their assets will be attached. Every time an Aeroflot aircraft lands, it's going to be seized." A second purpose

was to send the same message to other countries possibly contemplating similar action.

He was heartened, however, by the installation of a new government in Moscow. "We all liked the reformers, but they were naive. The people in there now may not go our way ideologically, but they know what the rules are."

Western banks remain concerned, however, about the issue of equal treatment for foreign and domestic banks.

No sooner did the government indicate its readiness to repeat than the central bank said it would bail out Russian banks by redeeming their GKOs at their pre-default value.

Andrei Kozlov, deputy head of the central bank, said commercial banks

would be allowed to use their reserves to make stalled payments to depositors. The central bank would then replenish these reserves by redeeming the GKOs.

Russian banks seem to understand that discrimination would only further damage confidence. Pyotr Aven, head of Alfa bank, said yesterday: "They can not treat Russian banks better than foreign investors. If they do something for Russian banks, they have to do the same for foreign banks."

The GKO default and moratorium on foreign credits was "a crucial mistake", he said. "It punished the foreign investors and did not really support the Russian banks. It damages the confidence in Russian banks and made it much harder for us to get foreign credits."

Shadowy figures behind Eta's war and peace

The Basque militants' ceasefire, which took effect yesterday, has a carefully calculated political dimension, reports David White

Basques woke up yesterday to one near-certainly: there would be no killing by the separatists of Eta. But Eta's unilateral ceasefire, in its first day of operation, can be traced to the same hand as the recent strategy of coldly selected political murders which has earned it massive public repudiation in the region and the rest of Spain.

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days when Eta was fighting the repression of Spain's Franco dictatorship. He heads the military operation, which covers a small number of *liberated* - full-time fighters - in Spain, a larger network of *legales* or people not yet on police files, and a permanent reserve of others living in France.

Hunted down by French police in the border region, they are believed to be concentrated mainly in the Toulouse area and Brittany. Although recent unconfirmed reports have located some leaders in Belgium.

Security officials say Eta can also call on perhaps 300 to 400 more receiving financial support in Latin America. Kidnap ransoms account for much of its tightly controlled resources. But the officials say it has been unable to keep up an effective extortion racket on companies and popular support in the Basque region has been waning.

A ceasefire is thought to have been under discussion for eight months or more, with evolving contacts between the region's establishment party, the Basque Nationalist party (PNV) and the new leadership of Eta's political arm, Herri Batasuna (HB), whose top officials were all jailed last December. The HB negotiators included a former Eta member, Arnaldo Otegi, now the party's main spokesman.

What Eta needed to justify its change in policy was a joint front of the various nationalist parties, unions and lobby groups in the region. The "new context" provided last weekend with a joint declaration, including HB and the Communists, proposing open-ended talks. Both of Spain's main parties, the governing centre-right Popular party and the Socialists, were disgusted.

But the ceasefire announcement late on Wednesday caught the government off its guard - the prime minister, José María Aznar, was in Peru, his deputy at a bullfight, and the interior ministry unclear what was happening. Eta scored a propaganda coup by releasing a video version exclusively to the BBC, ensuring worldwide coverage and comparison with Northern Ireland's successful peace process.

The initiative was probably the last thing the Spanish government wanted. Without anything to offer in return for the ceasefire, it faces an unwelcome alignment of forces in Basque politics, with regional elections in five weeks. What previously seemed the most likely scenario for any negotiated deal was all the "democratic" parties sitting across the table from HB, with



A slogan on a wall in northern Spain reads 'Long live Eta'

talks restricted to issues such as release of Eta prisoners. The nationalist declaration has now driven a wedge between the main national Spanish parties and the rest, and opened the agenda for discussion to Basque sovereignty and the Spanish constitution.

How secure is the ceasefire? The outcome of the October 25 regional election will have a significant effect on whether it lasts. The PNV, which helped broker the truce, is likely to benefit and consolidate its leading position. Both it and HB stand to gain support from voters who believe those parties provide the best guarantee of the truce sticking.

Eta deliberately laid down no specific demands. But it may well bring up conditions later. Its document was uncompromising when it came to stating political objectives - a "single and

sovereign institution" covering the historical Basque-speaking areas of both Spain and France - and justifying its own armed campaign to date. This has cost about 900 lives, including more than 100 of its own members.

Its triumphant tone may be interpreted as a reflection of internal divisions, aimed at placating members opposed to a ceasefire.

In any event, it differs sharply from the reappraisal made in recent months by Mikel Albizu's predecessor as Eta "ideologue", José Luis Alvarez, known as Txelis, who was arrested in France in 1992. He had been involved in breaking off a previous tentative peace process in 1989. With several other convicts, he has recently criticised Eta's past policies and called for a definitive end to violence. The organisation expelled him two weeks ago.

ROAD HAULAGE FURTHER TALKS SET AS THREAT OF DISRUPTION LOOMS AT PORTS AND BORDERS

Truck drivers fail to win deal over hours

By Michael Smith in Brussels

Talks between European road transport employers and unions over working hours ended without agreement last night, bringing closer a threat of disruption on roads at ports and international borders.

Unions had previously threatened a series of protests if employers failed to agree to a 48-hour week, which most other workers in the European Union already enjoy.

At the suggestion of the European Commission, the

EU's executive, the unions and employers agreed to a final attempt to reach an accord on September 30. But the two sides seemed far apart.

The Commission said if the industry and unions failed to reach agreement by the end of the month, it would bring forward proposals for laws introducing a 48-hour week.

Its proposed directive would be similar to a draft agreement considered yesterday by management and unions at talks in Brussels. The draft restricted working

hours to an 11-hour period during any 24 hours and restricted night-time driving to eight hours.

However, any proposal brought forward by the Commission would need to be approved by the EU's 15 member states and could take years to implement.

Unions representing 3.5m professional drivers have already shown their impatience over what they consider to be slow progress on introduction of the 48-hour week.

The unions last Tuesday organised a series of protests

ahead of yesterday's negotiations, bringing traffic to a halt at several ports and borders and threatened more protests if employers did not agree a deal soon.

In yesterday's discussions, employers from the UK, Ireland and Denmark are thought to have adopted the toughest stance on the management side.

James Hookham, policy director at the UK's Freight Transport Association, said road transporters needed more flexibility than other industries on working hours. That was why the industry

had been exempted from EU-wide legislation agreed by member countries earlier in the decade. "A 48-hour week would represent a 20 per cent reduction for many companies," he said. "No sector can take that on the chin" without more flexibility than the unions were prepared to offer.

Romulo Vivarelli, general secretary of the FST union confederation, had previously warned that truckers were frequently required to work more than 60 hours a week and action had to be taken.

NEWS DIGEST

EU NEGOTIATIONS WITH S AFRICA

Trade talks stalled over 'port' and 'sherry'

Talks on an ambitious free trade agreement between the European Union and South Africa were unexpectedly broken off yesterday - a day early - amid wrangling over the food and wine trade. The suspension is a setback for both sides, who started the week saying they were optimistic of the chances of a breakthrough in the 21st round of talks in three years.

EU leaders had set an autumn deadline for agreement, after an earlier target of last June's Cardiff EU summit was overshoot. Elias Links, South African ambassador to Brussels, accused the EU of breaking the spirit of its Cardiff statement by refusing to reveal its final offer on agriculture - most contentious part of the overall agreement - until a side deal could be concluded on wines and spirits.

That deal would involve ending South Africa's use of the terms "port" and "sherry" to describe its fortified wines, which South Africa says is a 300-year-old tradition.

Philip Lowe, EU chief negotiator, said Brussels would be acting against EU interests if it revealed its final offer on agriculture without at least the "final shape" of the wine and spirits agreement being known.

Mr Links said South Africa would not re-start talks on the main agreement until a new agriculture offer was received. But talks may restart in two weeks on wine and spirits. Neil Buckley, Brussels

ALBANIAN UNREST

Berisha loses immunity

Albania's Socialist-led government yesterday moved closer to a showdown with Sali Berisha, the former president, when parliament voted overwhelmingly to remove his immunity from prosecution.

Shortly before the vote, Mr Berisha, leader of the opposition Democratic party, held a peaceful rally of some 3,000 supporters in central Tirana. He said he would make any sacrifice to bring down Fatos Nano, the Socialist prime minister.

A government official quoted the state prosecutor as saying he would launch an investigation into the two days of violence and looting this week in which armed supporters of Mr Berisha attacked Mr Nano's office. Mr Berisha denies accusations by Mr Nano that he had planned a coup and blames him for the murder a week ago of Azem Hajdari, a leading opposition activist.

Diplomats in Tirana fear renewed violence if the prosecutor summons Mr Berisha for questioning, and if as expected, he refuses. Guy Dinmore, Belgrade

GERMAN ELECTION

SPD poll lead cut again

With Germany's general election only eight days away, the opposition Social Democrats' lead over Chancellor Helmut Kohl's ruling coalition has narrowed to 2 percentage points, a leading political research institute said yesterday.

Projections based on a poll by Mannheim-based Forschungsgruppe Wahlen (FWG) gave the SPD 39.5 per cent, down 1.5 percentage points, while the Christian Democrat Union/Christian Social Union rose 1 point to 37.5 per cent. The Greens scored 6 per cent and the small Free Democrat Party, junior partner in Mr Kohl's coalition, 5.5 per cent.

The improvement for the CDU/CSU came largely because of the strong showing of the CSU in Bavarian state elections last Sunday, where the party won 52.9 per cent of the vote, a spokesman for FWG said.

The SPD yesterday disclosed plans for a last-week campaign targeted at voters in eastern Germany who, according to opinion pollsters, show more volatile voting habits and could swing the outcome of the election either way.

The SPD is attaching particular importance to seven eastern German constituencies, where support for the former communist Party of Democratic Socialism is strong. A return of the PDS to parliament would probably scupper the SPD's hopes of forming a coalition government with the Greens. Tobias Buck, Bonn

IRAQ OPPOSITION

Kurdish factions agree

Iraq's two rival Kurdish factions have agreed an end to two years of conflict and paved the way for a power-sharing arrangement in the autonomous Kurdish north.

The agreement reached by Massoud Barzani, leader of the Kurdistan Democratic Party (KDP) and Jalal Talabani, head of the Patriotic Union of Kurdistan (PUK) in a meeting at the US state department late on Thursday, was billed by US officials as a new beginning in the parties' efforts to work together.

The deal is part of a long-standing US attempt to unify the Iraqi opposition and exercise pressure on the Iraqi regime. But the Kurds' history of factional fighting leaves considerable doubt as to whether it can last longer than previous similar agreements. Roula Khalaf, London

AIDS TREATMENT

FDA approves new daily drug

The first Aids drug with once-a-day dosing was approved yesterday by the US Food and Drug Administration. A product of DuPont Pharmaceuticals, the new treatment will be marketed under the brand name Sustiva. The drug will arrive in US pharmacies early next week.

Like most Aids treatments, Sustiva will be taken in conjunction with other antivirals as part of a drug "cocktail", but because it can be taken just once daily, with or without food, it substantially reduces patients' overall pill burden. Aids sufferers are often asked to take eight pills, five times a day, some with and some between meals. Keeping track of this schedule can be overwhelming and substantially interfere with quality of life.

With a price tag of \$3,942 per year, Sustiva is not cheap; however, DuPont points out that it is less expensive than the main alternative drug, protease inhibitors. Victoria Griffith, Boston

HAMAS THREAT CLAIMED

Israel seals West Bank again

Israel yesterday sealed off the West Bank and Gaza for the second time in a week, saying the Palestinian Islamic group Hamas had threatened it would kidnap Israeli soldiers and bomb Israeli cities. The closure will be reviewed on Wednesday, after the Jewish New Year holidays.

The threats by Hamas were made after Israel said it would refuse to hand over the bodies of Imad and Adel Awadallah, two brothers and members of Hamas who were shot dead by Israeli soldiers 10 days ago in a raid on a Hamas safe house in the West Bank.

Israeli government officials said they would keep the bodies, intending to use them as bargaining chips for bodies not returned to Israel. Judy Dempsey, Jerusalem

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Rebuff for Clinton over IMF funding

By Nancy Dunne in Washington

Legislation to replenish the International Monetary Fund's reserves so it can handle new crises is facing a murky future in a US House conference committee.

The House of Representatives approved a mere \$3.4bn for an IMF emergency fund on Thursday night, much less than the \$18bn sought by the Clinton administration as the US share of IMF replenishment.

Adding to the uncertainty, Congress has included a provision in the funding legislation which would deny US foreign aid to countries or non-governmental organisations which include abortion in family planning programmes.

President Bill Clinton vetoed legislation with similar language last year and has threatened to do so again. But business lobbyists believe House members will ultimately accept the Senate version of the bill, which provides the \$18bn.

They were not discouraged when yesterday Newt Gingrich, House speaker, attacked the IMF and foreign aid to Russia and Indonesia.

"My guess is that at least 40 per cent of that money [for Russia] is now in Switzerland or Germany," he said.

"I don't think putting the next \$40bn into an unrefunded Russia is going to accomplish anything except to prop up the crooks."

Referring to Michel Cam-

dessus, managing director of the IMF, he said: "Unless we have serious, deep reforms and accountability, we're not turning \$18bn over to a French socialist to throw it away, which is what he's been doing."

Mr Gingrich, who has had to manoeuvre all year between his right wing and his far right wing, was talking to the Christian Coalition, a group of religious conservatives considered key to the Republicans in the coming mid-term elections.

"You don't have to like the leadership of the IMF to realise how critical the organisation is to our nation's farmers and business, who are being killed by the situation in Asia and elsewhere," said Bill Morley, director of Congressional Affairs at the Chamber of Commerce.

"We support reforms [of the IMF] but they must go hand-in-hand with full and immediate replenishment." He said that at the end of the day, the \$18bn would be approved.

But there is also disgust in the business community - upon which the Republicans also count for support - that Mr Gingrich is "playing politics with a situation so volatile".

The anti-abortion amendment is considered a threat because the president, in his weakened position, might feel compelled to "pick a fight with the Republicans" before the elections to expose the divisions within the Republican party.

Cuba sees itself as shining example amid global troubles

Castro hits at the 'evils of neo-liberal globalisation'. Pascal Fletcher reports

"I think that in the middle of all this crisis, Cuba will be an exception and an example," said Osvaldo Martinez, head of the Economic Affairs Commission of Cuba's National Assembly.

As the world's media debates the threat of widening global financial problems, there is a distinct tone of "I told you so" in public pronouncements by the Cuban leadership.

This is especially true of Cuba's veteran globe-trotting president, Fidel Castro, who loses no opportunity on the international stage to regale his audience, more often than not at considerable length, with diatribes against the evils of "neo-liberal globalisation".

Adopting the tone of a Doomsday preacher, Mr Castro presents "global neo-liberalism" as a frightening modern mutation of capitalist "imperialism", traditionally embodied by communist-ruled Cuba's neighbour and arch-foe, the US.

In Mr Castro's apocalyptic view, the International Monetary Fund is "the kiss of the devil" and privatisation, currency speculation and the "blind laws of the market" are similarly diabolical manifestations.

Spreading the message to the people, Cuba's state television has been screening a Cuban-produced documentary series called *El Viraje* (The Turn), which paints a grim picture of social, economic and political decline in the countries of the former communist Soviet

bloc, including Russia.

A recent episode showed how nations that once hailed themselves as paragons of "socialist morality" had, since they turned their backs on communism, become infected with prostitution and Aids.

Earlier episodes dealt with mafia gangs, drug trafficking and corruption.

The message is unmistakable. This is what happens if you "turn" from socialism to capitalism.

The thinly-veiled conclusion? Fidel Castro's Cuba will not be making such a turn, at least not under the current leadership.

Cuba's leaders appear to view the current international financial problems, and especially the case of Russia, as a clear vindication of their vehement rejection of western-style capitalism in favour of a home-grown Cuban model.



Left: Castro sees crisis as vindication of economic stance. Right: May Day posters in Havana proclaim 'We defend our accomplishments'.



the target of so much outside criticism, will feel the current global problems much less than other nations.

"If there is a country that can be said to have suffered

enced by other developing countries, it is Cuba. But even he would not claim that Cuba is, or can remain, completely unscathed.

Falls in world prices for

In Castro's view, the International Monetary Fund is 'the kiss of the devil' and privatisation, currency speculation and the 'blind laws of the market' are similarly diabolical

that combines state socialism with "capitalist elements".

There is no mistaking a sense of quiet satisfaction among senior Cuban officials, who often complain they get "more advice than money" from friendly foreign governments.

They say Cuba's state-run, centrally planned economy,

less from the world economic situation, that country is Cuba," said Cuba's foreign investment minister, Ibrahim Ferradaz.

He said the absence of a stock exchange on the island and the inconvertibility of its currency effectively shielded it from the debilitating shocks of speculative capital movements experi-

Cuban commodity exports, sugar and nickel, are likely to cut back the island's potential hard currency earnings this year, perhaps by as much as several hundred million dollars, although lower oil prices will provide some relief.

The reduced export earnings will further complicate an economic outlook already

clouded by news that Cuba's sugar harvest this year was the smallest in some 50 years and reports of a serious drought ravaging food and export crops in eastern provinces.

Cuban policymakers maintain that the economy can still grow this year by between 2 and 3 per cent. But many foreign analysts, while they agree that increased tourism earnings may help to offset some of the export losses, believe that growth of around 1 per cent will be the best that can be hoped for.

And at a time when international foreign investors and bankers, scalded by losses in Asia and Russia, are turning away from unpredictable emerging markets, it seems reasonable to ask what would tempt them to risk their money in Cuba,

whose emergence as a market is still far from clear or consolidated.

Despite these qualms, a number of brave, pioneering foreign investors have found lucrative, expanding business niches in Cuba, for example in tourism.

But despite the untold lure of an exotic new market, there is still a perception that Cuba remains a difficult investment destination, where economic reform is slow and constrained by ideology, and where commercial risks are heightened by continued hostility from the US and an unclear political future.

In the words of one European businessman who has already tested the water in Cuba: "The question is: is there really a market at all, will there be one soon, and is it worth waiting for?"

US Christian Coalition shows its fury

By Adrian Michaels in Washington

After the prayer breakfast, naturally there would be a lunch, and yesterday's huge gathering of the Christian Coalition in Washington had Bill Clinton on the menu.

Last week's religious meeting at the White House saw the president at his most spiritual, pleading for forgiveness and admitting his sins.

Yesterday over 3,000 delegates at the annual gathering of one of the US's most powerful political forces cheered, stood and applauded as speakers attacked Mr Clinton.

"In the past few weeks," said Pat Robertson, the firebrand religious leader and chairman of the coalition's board, "we have seen one man wreck political havoc."

He said if the White House scandal had been turned into a movie "it would have been triple-X rated". The office of the president "has become the playpen of sexual freedom for the poster child of the 1960s", he thundered, pledging: "We will be silent no longer."

But as his attitude veered dangerously away from Christian charity, Mr Robertson managed with ease to reconcile a call for impeachment hearings with an acknowledgment of the president's recent contrition.

"We have heard a lot lately about repentance and forgiveness," he said, "and we must be the first to forgive Bill Clinton the man."

But he urged his audience nonetheless to do their "duty as citizens to preserve and protect the constitution of the United States even when the president does not do so".

Mr Robertson made it clear where he stood. The White House "is not Little Rock on the Potomac. It is our house and he is a tenant in our house. As landlords it is time to say: 'This occupant's lease is expired'."

All speakers stressed that the constitutional wranglings over the president should not be a partisan endeavour, as their overwhelming white, middle-aged audience cheered a succession of Republicans on and off the podium and some delegates held up "Impeach Clinton" posters.

In the line-up were a host of important Republican figures of past and present. The most powerful in the current Congress all signed



Pat Robertson: office of president 'has become the playpen of sexual freedom for the poster child of the 1960s'

up: Trent Lott, Senate majority leader, Newt Gingrich, House of Representatives speaker, Dick Army, House majority leader and Tom Delay, House majority whip.

The audience was also treated to the thoughts of Dan Quayle, former vice-president to George Bush, and Lt Col Oliver North, now a talk-show host and once indicted for conspiracy and obstruction of justice in the Iran-Contra affair.

Mr Lott and Mr Gingrich said little about the Clinton scandal - leaving the thumping rhetoric to those not in political office. Mr Gingrich said only that the House would let the facts decide: "We in the House will do our duty. We won't do an inch more than our duty for partisanship and we won't do an inch less than our duty out of intimidation."

Then came a hint of the partisan with a swipe at Janet Reno, attorney-general, for not turning over documents on campaign finance she had been "hiding".

Mr Lott brought into the same sentence the "White House attack dogs" and contempt for this week's revelation of an old extra-marital affair of Henry Hyde, Republican head of the House Judiciary committee.

But it was Ralph Reed, one of the group's founders and now a political consultant, who pressed home the attack by looking forward to a Congress that after November's elections would have many more politicians than the Christian Coalition would simplify the tax system and improve industrial efficiency, because it would require the co-operation of state governors as well.

Congress may be recalled in Brazil

By Geoff Dyer in São Paulo

Brazil's congressional leaders are planning to recall the legislature during its two-month summer recess to vote on legislation aimed at reducing the country's crippling budget deficit.

Antonio Carlos Magalhães, president of the Senate, said he would push for a special session from mid-December to mid-February to approve a number of bills, including a controversial plan to reform Brazil's tax system.

"We have to show the world that we are doing something to protect the stability of the Real [Brazil's currency]," Mr Magalhães said yesterday, following a meeting with President Fernando Henrique Cardoso and Michel Temer, leader of the lower house of Congress.

Political analysts said the announcement was a sign of the growing political will in Congress to push for an aggressive cut in public spending after the October general elections.

"The government has adopted a clear strategy of using the crisis to get political support for its reforms," said Ricardo Pedreira, a political analyst at Santafe Ideias in Brasília.

A convincing package of budget cuts is Brazil's only hope of maintaining economic stability, economists claim.

Congressional leaders said that by the end of the year they hoped to approve the following legislation: a pension reform bill, which needs three more votes in the lower house; the regulations which will allow implementation of a civil service reform bill; a two-year extension of a tax on financial transactions; and the proposals for tax reform.

However, political analysts said it would be difficult to win swift approval of the tax reform, which is designed to simplify the tax system and improve industrial efficiency, because it would require the co-operation of state governors as well.

The announcement by Mr Magalhães boosted financial markets, with shares on the São Paulo stock exchange 3 per cent up by early yesterday afternoon.

Although trading has been volatile this week, fears of an imminent devaluation have receded and share prices are 38 per cent higher since the close last Thursday.

Investors were also encouraged by the news that foreign exchange outflows slowed to \$207m on Thursday, aided by an entry of privatisation revenues. The total outflow since the start

of the month is \$14.8bn, leaving reserves around \$49bn.

Speculation has been rife that if reserves fell to \$40bn, the government would introduce new capital controls, especially on Brazilian investors withdrawing money from the country.

However, the central bank has fiercely resisted so far the imposition of sweeping capital controls to prevent funds seeping out of the country.

"I don't think there will be heavy capital controls under the current economic leadership," said Philipp Hildebrand, strategist at Moore Europe Research Services during a visit to the Brazilian capital.

Economists believe that an IMF-led package of financing will be available to Brazil, should it request one.

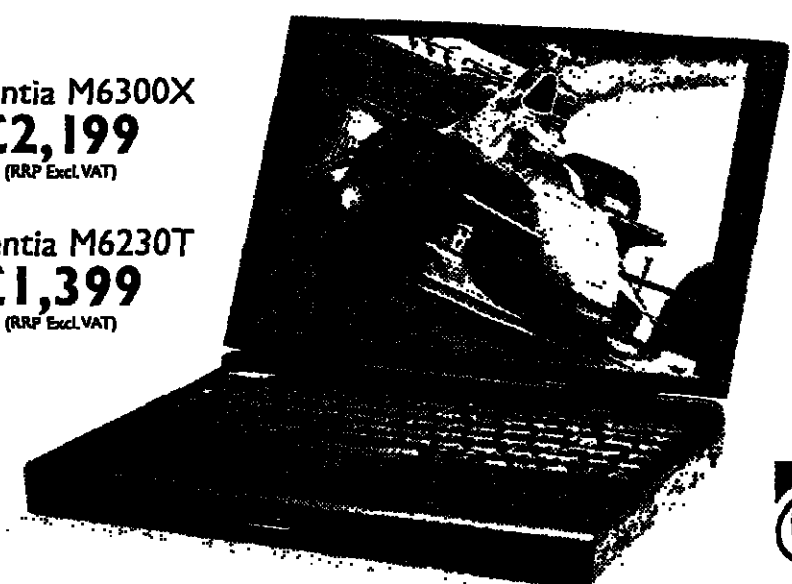
However, the conditions of the loans are still unclear.

While the government has committed to producing a budget surplus, before interest payments, of 0.9 per cent of gross domestic product next year, officials fear the IMF will demand a 3 per cent surplus.

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INTERNATIONAL

JAPANESE ECONOMY NATIONALISATION OF AILING LENDER IS ONLY PART OF THE SOLUTION

Question marks remain over banks

By Paul Abrahams in Tokyo

The compromise reached yesterday between Japan's ruling Liberal Democratic party and the opposition may have brought the crisis of the Long Term Credit Bank (LTCB) of Japan to a close, but it goes only part of the way to solving the rest of the problems afflicting the Japanese banking system.

The decision to nationalise and then liquidate LTCB, forced on the prime minister, Keizo Obuchi, by the opposition, neatly solves some difficult problems. Although the bank's eventual failure was inevitable - at Y19 (14 US cents) a share it was priced for bankruptcy - there were significant fears that an uncontrolled bankruptcy could lead to a collapse of the Japanese financial system.

In particular, many bankers were concerned that counterparties which had lent to the LTCB could lose their loans, or be left with

below-value collateral. They also expressed anxiety about the bank's extensive derivatives contracts. In the event, the decision to nationalise the group solved its liquidity problems at a stroke, because LTCB's debts have in effect become sovereign.

Questions remain, however, about how the group will be wound up. It is unclear how much shareholders, such as Daiichi Mutual Life Insurance, Nippon Life and Asahi Mutual Life Insurance, would receive. The company's shares peaked 11 years ago at Y2,830. But at Y19 a share yesterday, the group's market capitalisation was just Y45bn (\$340m).

Also in doubt is the future of LTCB's joint ventures with UBS of Switzerland, and the proposed merger of LTCB with Sumitomo Trust.

One option is that once the bank is nationalised its good loans will be sold to Sumitomo Trust, while the government uses public funds to

cover the cost of poorly performing assets. After that it could eventually be liquidated. An alternative is that it could be used as a bridge bank, merging with other troubled financial institutions.

Whatever happens, LTCB will no longer exist in its present form. The bank will be little lamented. Hugely inefficient, it had outlived its original purpose - to supply long-term credit to critical industries. It had become an anachronism, made redundant by the growth of Japan's corporate bond market, which could provide credit more cheaply.

But although yesterday's deal means LTCB is now neatly trussed for a speedy demise, a huge question mark remains over the rest of the banking industry.

The pressures on the sector have not abated. The economy remains mired in the worst recession in 50 years. Bankruptcies are at record levels, and bad debts

seem to appear faster than the banks can write them off. The industry is undercapitalised and has overcapacity.

The biggest danger is that the markets, having tasted blood with Hokkaido Tokai-shoku and now LTCB, will move on to other ailing banks. Yesterday, Yasuda Trust, part of the troubled Fuyo business group, fell 2 per cent to Y82. Daiwa Bank, whose shares rose Y4 to Y157, remains near its low for the year of Y147.

Critical to the stabilisation of the banking system will be the creation of the Financial Revival Committee (FRC). This is the brain-child of opposition parties, and is designed to be an independent body holding powers previously wielded by the ministry of finance.

"The new committee is the key," says James McGinnis, financial analyst at Dresdner Kleinwort Benson in Tokyo. "First it must be created quickly, then it must draw

up rules about what is a good bank and what is a bad bank, and finally it must then have the authority to act on that definition, powerful enough to see off the entrenched interest groups anxious to save particular institutions. It must be judge, jury and executioner, ready to put the bullet into the head of the bad banks."

Once the bad banks have been dealt with, public money will be used to recapitalise the healthy financial institutions. This would then allow them to begin expanding their balance sheets, ending the credit crunch and theoretically boosting the economy - as long as companies have not been so traumatised by the recession that they no longer want to borrow.

However, the speed at which the FRC will be created remains uncertain. The opposition hopes to have it in place by April. The LDP, which wants to keep shaky banks going because they

Japan's banks: lending a hand



Ryutaro Hashimoto, prime minister, and Keizo Obuchi, opposition leader, yesterday agreed to provide long-term finance to Japan's ailing industrial groups, including Toyota and Honda.

Apr 20 1997 LTCB shares at all time high of ¥2,830

Jan 5 1998 LTCB shares fell 10 per cent to ¥178 after reports it would soon suffer liquidity crisis

Jan 22 1998 Ryutaro Hashimoto, prime minister, called for "market trust" in LTCB after shares fell to maximum permitted in one day to ¥62

Sep 16 1998 Standard & Poor's, US ratings agency, says bad loans in banking system could be ¥151.37trn (\$1,122bn), double government's estimates

Sept 18 1998 Government announces LTCB to be nationalised, deathly opposition on Financial Revival Committee

Apr 1 1999 Date proposed by opposition for creation of FRC

Jan 1999 Date of next regular session of parliament when opposition claims powers to decide future of banks will be transferred from Ministry of Finance to FRC

2003 Date LDP originally proposed for creation of FRC

provide loans to big contributors to the party such as construction companies, initially talked about 2003. The pace of banking

Indonesia gold mines looted

By Sander Thoenes in Balikpapan

Impoverished, tempted by windfall profits and emboldened by the breakdown of government authority, thousands of Indonesians are carting off gold and coal from sites operated by foreign mining companies.

Broken Hill Proprietary (BHP), Rio Tinto and other big investors say a trickle of illegal miners has swelled in recent weeks, causing the loss of thousands of tons of coal and substantial amounts of gold each day.

Worst hit is the state-owned Bukit Asam coal mine in Sumatra, where 1,000 miners remove 2,000 tons of coal every day. Adaro, owned in part by New Hope of Australia, says trucks carry off 200 tons a day to the harbour at Banjarmasin.

Coal, gold and other dollar-denominated commodities have shot up in value for Indonesians as the rupiah crashed. With unemployment and inflation skyrocketing, more and more people are driven to breaking the law to survive, but the traders who buy from them and export are wealthy businessmen such as Bambang Trihatmodjo, a son of former president Suharto.

Coal sells for \$17.50 a ton in the city of Banjarmasin, on the island of Borneo, compared with \$21 and higher offered by licensed mining companies such as Adaro and BHP, which have already seen world coal prices drop because of overproduction. In Sumatra, pilfered coal is sold locally for only \$5.40 to a cement plant.

"It just adds to the downward pressure," said Stephen Hadwen, manager for environment, land and engineering for BHP. "If the government cannot uphold the contract for the lease, then the whole question is: how secure is sinking large funds into mining?"

Companies are complaining that neither the demoralised military nor local officials, facing a wave of public protests ever since Mr Suharto resigned in May, are willing to stop the miners.

"They don't want to upset the apple cart," Mr Hadwen said. "And as they cannot feed the people they're quite happy for the community to help themselves."

Few illegal miners feel they are doing wrong. "To them, it's quite legal," said Werhan Asmin, administration assistant for Adaro. "They have been mining gold for centuries. Most of the goldfields in Indonesia were discovered by the locals before they were given to concession holders."

Tehran mourners demand revenge against the Taliban

By Mark Hubbard in Tehran

Thousands of mourners surged through the streets of the Iranian capital yesterday demanding revenge for the murder of nine Iranians killed in Afghanistan last month and voicing growing public demands for war.

Seven of the dead were carried from Tehran University in coffins draped with the Iranian flag, after three of Iran's religious leaders condemned the killings before a congregation of about 3,000 men gathered there for Friday prayers.

Ambulances transported the bodies to a cemetery, followed by a crowd of up to 30,000 men and women who yelled denunciations of Afghanistan's Taliban militia, whose fighters executed the Iranians after seizing the northern Afghan

town of Mazar-i-Sharif.

Pakistan said yesterday it would remain neutral if Iran went to war with the Taliban, which it has backed since its creation in 1994.

"A conflict would have a devastating effect on the peace and stability of the entire region," Sartaj Aziz, Pakistani foreign minister, said yesterday. During a six-hour visit to Tehran on Thursday, Mr Aziz proposed the creation of a commission to study allegations of foreign involvement in Afghanistan. The suggestion did nothing to meet Iran's immediate concern.

"According to Islam's rules, we should be ready at any time to defend our borders. And if Iran and Afghanistan become embroiled in conflict, there is the chance that other countries will become

involved in a war," the influential conservative Ayatollah Ali Khamenei said in Tehran before yesterday's funeral procession.

He went on to denounce US President Bill Clinton as a "sexual sadist who pretended to lead the world", and criticised Iran's liberal media, in what were marked signs of a resurgent conservatism that has found a strong voice against the background of the growing crisis with Afghanistan.

Press freedom and the hope for dialogue with the US has been central to the strategy of Mohammed Khatami, the reformist president elected last year. Ayatollah Khamenei's comments came two days after the banning of a newspaper on the orders of Ayatollah Ali Khamenei, Iran's supreme leader.

Public anger directed

against Afghanistan could now propel Iran's conservatives firmly into the limelight at a crucial time, when Mr Khatami will be in New York attempting to present a new moderate face of Iran in an address to the United Nations General Assembly.

Both conservatives and moderates have so far been cautious in public statements regarding calls for Iran to go to war to avenge the deaths. The moderates hope the UN will be able to extract commitments and an apology from the Taliban which will prevent the crisis escalating into war.

But Iran is also demanding protection for Afghanistan's Hazara Shia Muslim minority from Sunni Taliban attacks. Iran claims the Taliban killed hundreds of Shias when it seized the town of Bamian last week.

Congo's lonesome rebels

Lack of popular following is undermining their chances of overthrowing President Kabila, reports Michela Wrong

The fact that the crowd started booing during one of the few rallies staged by the Congolese Democratic Coalition (RCD) strikes Professor Wamba dia Wamba as natural.

"It's understandable if people don't feel the latest rebellion involves them," says the grey-haired history professor, chairman of the rebel movement controlling Congo's east from the former tourist resort of Goma.

"Fighting Mobutu was easy - everyone wanted a change. But people have not yet realised the danger Kabila represented. It's too early to say what kind of social base our movement will have."

Welcome to revolution, Congo-style.

If rebel groups elsewhere are the expressions of years of grassroots discontent, here they spring fully-formed into life and only then seek out a popular base.

The top-down quality of the RCD is not the only reason why this organisation committed to President Laurent Kabila's overthrow seems almost entirely cut off from the people it claims to represent.

Sipping tea in the chandelied salons of the late Mobutu Sese Seko's lakeside villa, chatting over satellite telephones, the members of RCD's executive committee are regarded by local residents as the civilian facade of what is essentially a military operation.

Its careful multi-ethnic composition fails to mask the real power behind the movement: Congo's Tutsi ethnic minority and its allies in Rwanda.

"The Congolese are put in front but behind it is all Tutsi and Rwandans," whispers a local shopkeeper. "The public won't feel for it. What the Tutsis forgot is that you can't make a revolution without the people."

That assessment highlights one of the main problems confronting the RCD.

If Angola and Zimbabwe's military intervention in western Congo has torpedoed its stated ambition of taking over the entire country, the movement's sheer rootlessness jeopardises the alternative: a rebel-controlled state running the



President Kabila's forces are trying to cut off rebels who control Kisangani, Goma and Bukavu. The rebels, whose bid to seize Kinshasa intervened on Mr Kabila's side, say their target is Mr Kabila's stronghold of Lubumbashi, a copper mining centre.

length of the border with Rwanda, Uganda and Burundi.

This week's six-hour gun-battle, in which 300 people died in an attack on Goma by a combination of Congolese militiamen and Rwandan extremists, shows the level of local hostility Mr Kabila has provoked among his neighbours. The viability of any potential buffer zone is threatened by simmering anti-Tutsi sentiment among the Nande, Hunde, Bashi and Bembe ethnic groups of the east.

"The war may have fatally damaged Mr Kabila's claim to speak for the whole of Congolese people, but the rebels are in an even weaker position," says a diplomat. "Even in the area they control, there are plenty of communities that would rejoice at their downfall."

It was not always thus. When the Alliance of Democratic Forces for the Liberation of Congo was formed in late 1996, at its core lay the uprising by Tutsis from Kivu's Mulele hills determined to prevent the ethnic cleansing of their region.

But the Banyarwanda element was swiftly dwarfed by mounting enthusiasm for the drive to topple Mobutu Sese Seko. Unemployed youths signed up in their hundreds, rallies drew palm-waving crowds, Mr Kabila was hailed as a saviour.

Mustering such support has proved impossible this time around. Volunteers for the rebel force have been noticeable by their absence. Kivu inhabitants fret contentiously to "our second so-called liberation".

The collection of academics, exiled opposition activists, ageing politicians and AFDL dissidents who make up the RCD leadership undoubtedly talk political sense.

They emphasise the importance of collective leadership, rally against Mr Kabila's tribalistic appointments and promise not to repeat the personalisation of power which has Mr Kabila - much like Mobutu - doffing out wads of cash from his desk drawer.

But when articulated by men who only arrived in Goma when the Banyarwanda mutiny was well under way, such ideas do little to counter the impression of a revolution dictated by Ugandan and Rwandan security concerns rather than political principle.

Rwandan and Ugandan officers direct battlefield operations, Russian transport planes used to ferry rebel troops are parked at Kigali airport, and Kigali picks up the bills of former Zairean VIPs flocking to Goma in search of position.

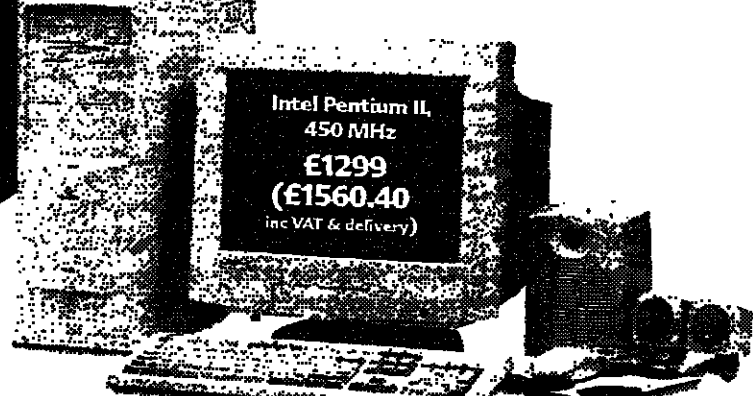
Above all, the CDR's credibility is undermined by its willingness to embrace any political player, as long as they oppose to Kabila.

If the party denies reports of contacts with Mobutu's former generals, it does little to discourage the discredited ministers, scandal-tainted human rights campaigners and shady consultants beating a path to its door.

"These are marriages of convenience, useful alliances which won't last because those concerned loathe each other," says a diplomat. "It's not a recipe for a great government. But there's no indication it'll be worse than Kabila's."

And there lies the rub. In 1996, Rwanda pushed a hurriedly-assembled group of guerrilla fighters and exiled intellectuals to power in Congo. Their failure to deliver has not stopped Kigali, it seems, repeating the exercise.

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Saturday September 19 1998

In charge (or maybe not)

In an economic and financial crisis, policy inertia is something to be feared. Hence the markets' relief when the developed world's policy establishment sent a clear signal early this week that it had woken up to the gravity of the present malaise.

President Bill Clinton roundly declared that economic growth was now the chief priority. A supporting cast of finance ministers and central bankers from the Group of Seven industrialised countries followed suit. The balance of risk in the world economy, they said, had changed. Their message, albeit cautiously expressed, was that the possibility of deflation loomed larger in their concerns.

With the stage apparently set for a co-ordinated cut in interest rates, finance ministers in the emerging market economies took comfort, while investors in the developed world rejoiced. Yet this euphoria was quickly dispelled as people started to ask how the politicians might deliver on the promise.

The weakness of Mr Clinton's position was palpable throughout the week as he struggled to ward off the slings and arrows of the Star report. Keizo Obuchi, the emboldened Japanese prime minister, is being constantly frustrated by a determined opposition in his attempts to manage his country's banking crisis. In Europe flexibility is severely constrained by the move to independent central banking and the fiscal strait-jacket of the stability and growth pact.

Scepticism was reinforced when Hans Tietmeyer, head of the Bundesbank, added German counterpart to the global theme. Mr Tietmeyer may be about to cede control of Europe's most powerful central bank to a higher authority, but he still knows how to move the markets. And he left no doubt that Europe would not be party to any plan for co-ordinated interest rate cuts when the continental European economies were at last turning up.

Capital controls

Alan Greenspan, chairman of the Federal Reserve, likewise damped expectations. He was more anxious this week to attack the return of capital controls in Asia than to make ringing pronouncements about saving the world. Just to rub salt into the wounds of the politicians, the US House of Representatives turned down, predictably enough, Mr Clinton's plea for \$18bn to replenish the coffers of the International Monetary Fund. This puts severe constraints on IMF firefighting in the biggest financial crisis since

the Latin American banking debacle in the 1980s.

Michel Camdessus, the IMF's managing director, is not a man to be daunted by such rebuffs. In a remarkably upbeat interview in this paper on Thursday he declared that there was no global crisis of capitalism. But as Latin America wrestles with the currency speculators and Russia rediscovers the command economy, Mr Camdessus's forecasters have been revising down their estimate for global growth this year. Twelve months ago they had expected 4.25 per cent. By May this year the figure had shrunk to just over 3 per cent. Now the estimate is for only 2 per cent.

Uncertain times

A noteworthy change in recent market behaviour is that investors who earlier ignored Mr Greenspan's warnings about "irrational exuberance" now hang on to his every word, however impenetrable, in these more uncertain times. Few would deny that the Fed chairman is a reassuring beacon in the storm. Yet even his ability to keep the US economy on a growth path in the medium term cannot be taken for granted.

The world's two largest economies are now locked in a strangely symbiotic embrace. The US is the world's biggest debtor and spender; Japan is the biggest creditor and saver. From these diametrically opposed positions, the respective economies have nonetheless reached a state where the effectiveness of monetary policy is subject to severe constraints.

Japan is already close to a serious deflation, with the 10-year bond yield falling this week to a scarcely believable 0.7 per cent. No one expects the recent cut in Japanese overnight interest rates to 0.25 per cent to impart much stimulus to the economy, though it will provide modest relief to the troubled Japanese banking system. Monetisation - the modern version of the printing press - by now looks imminent.

In the US, meantime, the collapse in the savings rate to 0.8 per cent of disposable income in the second quarter, compared with its customary level in the 1990s of between 4 and 6 per cent, is worrying. It means that interest rate cuts may be of limited help in promoting further borrowing and spending, especially when bankruptcies are running at record levels.

Capitalism is not in a global crisis. But there are difficult times ahead - and not just for the emerging markets.

If the world's leading stock markets are to be believed, we are about to stop eating, drinking and washing. While the indices have been falling through the summer, the share prices of companies making everyday consumer products have been falling even faster. They provide one of the main ways in which stock market jitters and emerging markets falls are being translated into the real economies of the west.

In New York this week, shares in Gillette, the shaving products and toiletries group, fell more than 10 per cent in two days after the company gave a warning that the sluggish world economy would hit third-quarter sales. The fall showed that even a company which gets around 70 per cent of its revenues in the North America and Europe can be hard hit by emerging market woes. Other US groups dragged down in Gillette's wake included Revlon, Avon, Colgate-Palmolive and Procter & Gamble, the household products giant.

In London, Wednesday's gloomy trading statement from Bass knocked 20 per cent off the brewing and hotel group's shares in two days. It also dragged down other brewers such as Scottish & Newcastle and Whitbread and pub operators like Greeneall and the small Slug & Lettuce chain.

This means the UK brewing, pubs and restaurants sector has fallen 25 per cent in the past three months, underperforming the market by 15 per cent.

Mark Pulek, drinks analyst at Merrill Lynch in London, finds the scale of the falls hard to understand. "Expenditure on these low-ticket items doesn't change that much through the cycle," he says. "People don't stop drinking or shaving in a recession."

Gerry Rourke has had a frustrating week watching window-shoppers trail around the Bull Ring centre in Birmingham that he manages. "The people are there, but the carrier bags aren't," Mr Rourke says. "I've got some 200 tenants on board, and most of them are experiencing downward trends. You can see it in their eyes."

Are the Bull Ring's non-shopping shoppers a sign that the UK's economic downturn is under way? It is unlikely that Birmingham's consumers are spending less because of turmoil in Asia or Russia's currency crisis. If consumer confidence has fallen - as recent surveys say it has - it is more likely to be caused by the stream of "doom and gloom" economic news.

In recent weeks the gloom has multiplied, from companies warning of lower profits to a string of closures and redundancies.

One of Mr Rourke's tenants, Mick Hardawa, sells designer clothing. His three shops in the Bull Ring, popular with fashionable clubbers, are struggling. He says sales are about 30 per cent down on last year. "The last few weeks have been particularly slow. People are just

during bad times. So when looking at the buoyant public opinion polls, Clinton should be relieved to know that it is the economy, not his actions, that have made Americans turn the other cheek.

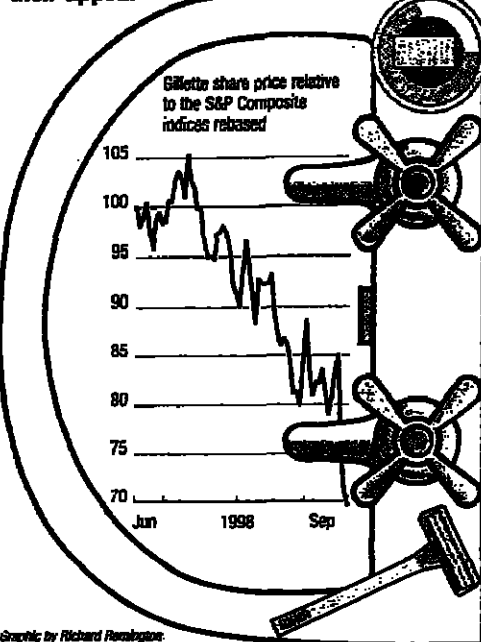
Yes, in the final analysis, I think the interesting bit of the whole affair is less about sex than it is about money. But how do you go about impeaching the American public for lying to itself about the whole ordeal?

Scott A. Clark, managing director, CFP Worldwide (London), Northburgh House, 10 Northburgh Street, London EC1V 0AT, UK

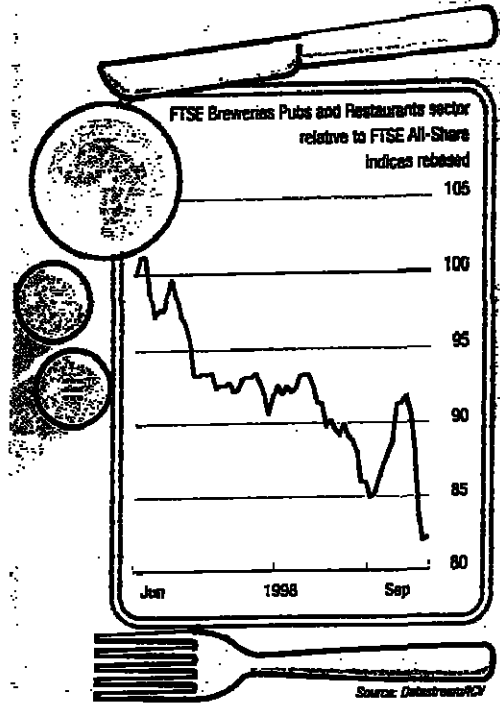
A shopping maul

Consumer companies are supposed to be resilient to recession. So why, asks John Willman, are they leading world stock markets down?

Consumer shares; losing their appeal



Graphic by Richard Hargrave



Source: Datastream

True, they do appear to have cut back on eating out and drinking more expensive drinks in UK pubs during the summer months. Trading in Bass's 2,600 pubs was "diabolical" in July, according to chairman Sir Ian Prosser, with double-digit falls in beer and soft drink volumes. Food sales in pubs have also fallen sharply.

True, too, there were extenuating reasons: England and Scotland's early departure from the soccer World Cup spoilt promotions in pubs with big TV screens and hit take-home sales for couch potatoes. And the unusually wet summer - even by British standards - kept toppers at home or

drove them south in search of sun.

But these seasonal factors are only part of the explanation: Bass and the other large brewers say people appear to be spending less not because of the weather or the world cup but largely because of fears of a downturn in the economy. Sales are worst hit in industrial regions where manufacturing has been affected by the strength of sterling.

In the US, there is no sign yet of any downturn in domestic demand, says Mark Cohen, analyst at Goldman Sachs New York office. The cause of angst there is the economic crisis in emerging

economies. "The turmoil in emerging markets means they are starting to question the volume growth leading multinational groups can count on in the near term," he says.

The companies which have seen the sharpest falls in share price this week are those with significant exposure to these all regions. The cosmetics group Avon, for example, has 60 per cent of its sales in emerging markets and Colgate-Palmolive has 45 per cent.

There has in practice been very little downturn in earnings, says Lynne Hyman, cosmetics and household products analyst at

Just looking, not buying

Richard Adams and Christopher Adams take the temperature of depressed retailers as consumers react to contrasting economic signals

walking around," he says. Pamela Webber, economist at the British Retail Consortium, says that announcements of job losses in the West Midlands and north of England have fuelled feelings of job insecurity, eroding consumer confidence. "People aren't buying higher-priced items like furniture, carpets and electrical equipment. They're less keen to take on interest-free credit."

Her interpretation appears to be borne out by several companies. Spring Ram, the bathroom and kitchen supplier, was one of several this week to warn of a slackening in demand. "At first the slowdown was blamed on the World Cup and the weather. But what we're seeing is the effect of interest rate rises and mortgage rate increases," the company says.

It is reducing overheads. Staff numbers were cut by 30 in June and another 60 jobs will disappear this month. "Exports to Germany and France have suffered

too. Interest rates should be lowered."

Yet at the same time, other news shows a more buoyant side to the economy. Unemployment continues to fall to levels last seen in 1980, and pay increases remain robust. And for every factory that closes it seems another one opens.

B&Q, part of the Kingfisher conglomerate, is reporting strong growth. Jon Dorsett, general manager of the group's store in Wallasey on Merseyside, says demand for plumbing, building and paint materials is up by 20-30 per cent. However, bigger-ticket items such as kitchens and conservatories have suffered negligible growth.

Tony Blair this week encapsulated the country's manic-depressive attitude. While standing outside Fujitsu's doomed £400m semiconductor plant in County Durham, which is to close with the loss of 550 jobs, he said it was

important not to exaggerate the overall position of the economy.

Martin Weale, director of the National Institute for Economic and Social Research, said he agreed with the prime minister's view. "People have been forecasting a slowdown in 1999 for quite a long time," he said. "The latest gloom is a consequence of using some very naive forecasts."

Part of the cause has been the result of placing "too much weight" on company surveys. Mr Weale said, and not enough on "hard data, carefully interpreted."

The National Institute's own forecast is for economic growth of 1.4 per cent next year. But Mr Weale said unemployment was unlikely to rise sharply, because of the continued effects of the Jobseekers Allowance, and the government's welfare-to-work scheme. "We have tended to think they will offset the slowdown in the British economy," Mr Weale said.

Credit Suisse First Boston in New York. "It can be measured in pennies," she says. But companies like these saw their share prices soar on expectations of future contributions from emerging markets. Now, the prices of the companies she follows have fallen 30 per cent from their highs earlier in the year, compared with 14 per cent for the market as a whole.

Anxieties are also felt by European investors. Shares in Diageo, the world's biggest drinks maker, have fallen by one-third since April as fears have grown over the impact on its profits of the Asian economic crisis. The threat of Latin America being sucked into the economic turmoil has added to the pessimism over a group fed a year ago for the breadth of its global distribution. European multinational groups were also hit when P&G issued a profits warning last week - partly attributed to disappointing results from Russia, Asia and Latin America. Unilever, the Anglo-Dutch consumer group which makes soaps and many staple foodstuffs, saw its shares fall 6 per cent the day after. There were similar falls for Henkel, the German detergent manufacturer, and Nestlé, the Swiss-based food group.

All the same, consumer groups' underlying resilience to recession remains, and most analysts believe the gloom is being overdone. "Drinks company profits may dip in a recession, but they don't implode in mature markets," says Merrill Lynch's Mark Pulek. Ms Hyman says there is still plenty of scope for the US consumer groups to improve productivity and cut costs to offset declines in emerging markets. People may trade down or use a little less, but they still go on using them.

Kate Barker, the Confederation of British Industry's chief economist, thinks one reason for uncertainty is that the economy is at the end of a cycle of strong growth. "People are usually confused at turning points," she said.

Part of that confusion may have come from worries about the international economy, especially Asia, and its impact on the UK. But Mr Weale said only a dramatic downturn in the US or Germany would change things. "My feeling is that the international situation is not yet at a stage where it would have a marked impact on the UK," he said.

"Some people have been sounding unduly gloomy," Ms Barker said. "We're not talking about a rerun of 1992."

She said it was important to strike the right tone, between "complacency and panic", in judging what will happen next year. "People are right to worry about talking themselves into a recession - particularly at this time of year, when companies are setting their budgets."

Anticipating a recession could see companies cutting back - making it a self-fulfilling prophecy.

LETTERS TO THE EDITOR

Money at root of US mood on Clinton

From Mr Scott A. Clark

Sir, As an American residing in the UK, I have followed with great interest and, at times, embarrassment, the troubles President Clinton has been experiencing during the past few weeks. While, on the face of it, the debate surrounds sex, legal lies, grand juries and so forth, I think the real and intriguing story is far more straightforward. It's about money.

In a capitalist society one thing above all drives and influences the mood of the nation - personal wealth. Americans want to protect, seemingly at any cost, the fragile state of prosperity that the country is now enjoying. Americans simply fear that, by

changing presidents, they may risk a financial downturn. Individual bank balances haven't been this healthy for a long time, and nobody wants to mess with things. In fact, there's an appropriate little saying from the Deep South where Bill Clinton comes from that goes: "Don't poke a stick at a skunk." Americans have put away their sticks for a while.

The simple truth is that Americans are willing, for a price or share options, to change their "moral goalposts" to suit the times. What is written off as a "private matter" or "little white lies" during a positive economic cycle, would likely be viewed as outrageous and full frontal lies

during bad times. So when looking at the buoyant public opinion polls, Clinton should be relieved to know that it is the economy, not his actions, that have made Americans turn the other cheek.

Yes, in the final analysis, I think the interesting bit of the whole affair is less about sex than it is about money. But how do you go about impeaching the American public for lying to itself about the whole ordeal?

Scott A. Clark, managing director, CFP Worldwide (London), Northburgh House, 10 Northburgh Street, London EC1V 0AT, UK

'Don't do as I do', it seems

From Dr Rupert B. Pearson

Sir, I have to permit myself a somewhat wry, perhaps cynical, smile at the initiative by Ritt Bjerregaard, EU environment commissioner, to encourage car buyers to switch to more environmentally friendly models ("EU plan for guide to car emissions", September 5-6).

The sight on television, and photographs in the press, of EU commissioners sweeping away from meetings and press conferences in large black Mercedes, and, in the UK, of government ministers in large Rovers and Jaguars, does not exactly encourage one to take such exhortations very seriously. Unless, of course, there is one guideline for the elite and another for the masses.

Perhaps our commissioners, and senior UK cabinet ministers, should lead by example and then I for one might reconsider changing to a more fuel-efficient car.

Rupert B. Pearson, 43 Stag Green Avenue, Hatfield, Herts AL9 5EB, UK

Economics is rather different in the real world

From Mr Andrew Carroll

Sir, I am surprised you should have published a letter suggesting that "an interest rate is merely the price of credit" (Mr Bert Ely, September 12-13). This is a naive assumption of the classical economic model.

As Keynes famously stated, "the characteristics... assumed by the classical theory happen not to be those of the economic society in which we live" (General Theory 1936).

In the real world the interest rate is far more than the price of

credit and far more important. It cannot be left to the markets.

Andrew Carroll, 3 Meadow Bank, Timperley, Altrincham, Cheshire WA15 6QP, UK

Cost of air traffic centre remains within government approved limit

From Mr William K. Semple

Sir, Your article "MPs to probe rising costs" (September 17) was misleading. We have a firm grip on the costs of the new Swanwick centre. We are on budget - no mean feat given the size of the project and the state-of-the-art computer systems it is developing.

The information provided by National Air Traffic Services to MPs on the transport select

committee has been consistent, clear and full. The committee was told last year by NATS that the total budget for Swanwick was £474.8m, split between capital and revenue costs. The capital element amounted to £350.7m. The select committee itself published these figures in its own report released in April.

Lockheed Martin, the prime contractor, has been paid more than the original fixed price for

the computer system only because of changes we asked for, and as a result of taking up costed options in the contract. The cost remains within the government-approved limit. As long ago as September 1991, the cost of the project, approved by the government, was put at £462m (in 1991 prices). Given that in today's prices the budget is £475m, the Swanwick project is an example of excellent cost control.

Nigel Horne, one of Britain's most respected computer experts, recently investigated progress at Swanwick and found the project to be sound, well advanced and technically under control.

William Semple, chief executive, National Air Traffic Services, CAA House, 45-59 Kingsway, London WC2B 6TE, UK

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هكذا من النهر

Kohl's class enemy

Peter Norman on the forces that shaped Gerhard Schröder, the man who wants to lead Germany

His face, confident and smiling, is on every street corner. He is "ready", the posters assure us, to lead Germany.

But on this damp morning in Nuremberg, Gerhard Schröder, the opposition Social Democratic challenger to Chancellor Helmut Kohl, wants to be alone. His body language is so explicit that none of the accompanying journalists ventures to approach. For once there is no need for Mr Schröder's ubiquitous bodyguards to keep the curious away.

That Mr Schröder should be in a reflective mood is not surprising. He has to gather his strength for two big rallies in the afternoon.

There are, however, deeper reasons. Mr Kohl, with an energy that belies his 68 years, is fighting back in his bid for an unprecedented fifth term of office. Although opinion polls have long predicted that the SPD will be the strongest party after Germany's September 27 federal election, Mr Schröder knows not to trust them.

Three hours later and we see the other side of Mr Schröder. The morning's introspection has passed and he cheerfully answers questions in the restaurant car of the Munich-bound express. The media, which has played such an important role in turning the 54-year-old prime minister of Lower Saxony into the bookmakers' favourite, is succumbing once more to his charms. Only the mineral water bottle hints at the pressures of the final, punishing "hot phase" of the campaign: Mr Schröder has forsown wine until polling day is over.

It is easy to caricature this election. Mr Kohl does so when he says voters face a choice between a reform-minded government and a far-left "other republic". Mr Schröder and his SPD do so when they claim Mr Kohl's centre-right coalition stands for "social coldness" and raw capitalism. In truth, the SPD and Mr Kohl's Christian Democratic Union are close enough for a grand coalition of the two to head the list of voter preferences for the post-poll government.

But the contest between Mr Schröder and Mr Kohl has presented Germans with a choice unlike any previously on offer. In a country where voters like their politicians to be serious and weighed down with programmes and statistics, the thrice-divorced and often irreverent Mr Schröder is travelling light.

If elected, Mr Schröder "will be a completely new type of chancellor for Germany and Europe", predicts Roland Berger, the management consultant Mr Schröder

tried unsuccessfully to recruit as his shadow economics minister. "He is a typical product of the media age. He would never have got to the top without the media."

That is a familiar gripe among Mr Schröder's opponents, who complain that he is all show and no substance. During this year's Lower Saxony state election campaign, which Mr Schröder turned into a referendum for his nomination as SPD candidate for chancellor, Mr Kohl complained that planning Mr Schröder down on issues was like trying "to nail a jelly to the wall".

The chancellor's frustration reflected a long career in which he has been guided by a limited number of clearly defined political views formed at an early age. Mr Schröder, in the words of Mr Berger, "doesn't steer by a compass but uses radar".

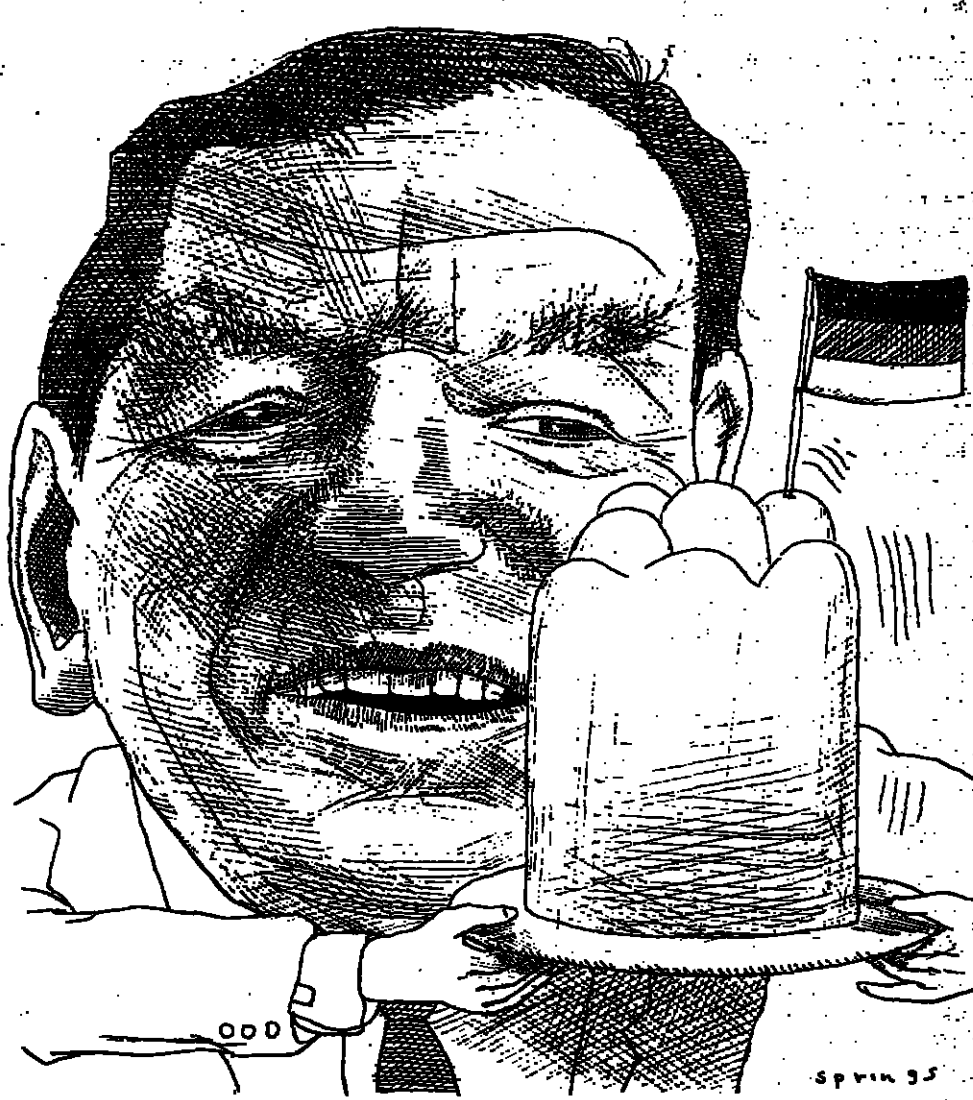
Sitting on the train in a sober Hugo Boss suit and with a hint of dark tint in his hair, Mr Schröder cannot recall when he first developed the ambition to become chancellor. He says it was after the now-celebrated incident in the early 1990s, when as a young member of parliament in Bonn, he emerged from a local hostelry and ran to the steel fence surrounding the chancellery and shook it, shouting: "I want to get inside."

But he is clear about what drove him to be a politician and to seek power. "You have to look first at my background," he says, tracing his ambition, success and membership of the SPD to what he calls "a relatively difficult home situation".

His father was killed in Romania three days after he was born on April 7 1944. His mother married for a second time in 1947, only for his step-father to be struck by tuberculosis and mainly confined to a sanatorium from 1954.

The ballast was a frequent visitor as the family struggled to make ends meet. His mother worked as a cleaner to support five children and Mr Schröder left school at 14 to work in a hardware store because there was insufficient money for books and travel to and from secondary school.

His subsequent rise could be the stuff of a self-help novel. He went to night school, passed the *Abitur*, the German school-leaving certificate in 1966, and for the



next five years studied law at Göttingen university, then a hotbed of leftwing activism. By the early 1970s he had qualified as a lawyer, specialising in civil liberties, and in 1978 represented the terrorist Horst Mahler in a plea for parole.

Mr Schröder says his home background led him to join the SPD in 1983 "because of all parties it offered the best scope for social advancement without having to show that one came from a good family".

The other "formative element" was working as a defence lawyer in the 1970s. Being "on the other side of the barricade, against the state so to say" gave him "a heightened awareness of

the importance of democracy". A further characteristic of Mr Schröder's political career - his pragmatism - was apparent as soon as he became leader of the Juso, the youth wing of the SPD, in early 1978. Elected largely by the far left, he surprised supporters by swinging the rebellious Juso behind his mother party.

"I don't regard pragmatism as an insult," he said recently. "Everyone who wants to achieve political power must act pragmatically."

He also rejects charges of opportunism. "I want to stay someone who is capable of learning," he has said. "I don't believe that when an element of policy and reality fail to fit together

that it is always the reality that is wrong. It could be the policy that needs correcting. I also believe you need have far less fear of politicians who are ready to learn than of those who are not."

Just how much Mr Schröder has learned in the past 20 years was made clear with the recent television screening of a debate between Mr Schröder and Mr Kohl from 1979, when the chancellor was still leader of the parliamentary opposition.

Mr Schröder, barely recognisable with hair down to his collar, appeared the stereotypical leftwinger, condemning Mr Kohl's CDU as the "class enemy". But even then, there were

traits familiar today, notably the way he jauntily needed Mr Kohl. "Gerdi's character has always been fairly consistent," says Norbert Wietzorek, a senior SPD member of the Bundestag, who first met Mr Schröder 30 years ago. "He has always been optimistic, rather cynical, not afraid of risk and determined to assert his independence."

"He focuses on one thing at a time and if there is a new problem shifts very quickly to deal with that. He likes to have things clear and above board. That explains his four marriages. He won't have unorthodox relationships. He wouldn't have a mistress."

According to Mr Wietzorek, Mr Schröder "has never been a classic socialist". His taming of the Juso in the late 1970s was the first of many political shifts in a career that has moved to the right. By 1984, when he had won a second term as prime minister of Lower Saxony, newspapers and magazines had begun to call him "the bosses' comrade".

This transformation was "a matter of practicality", Mr Schröder said recently. "In Germany you can't do anything, least of all for the SPD voter, if you are not prepared to demonstrate a minimum of willingness to co-operate with business."

SPD supporters benefit when their employer is doing well. "If the employer does badly, they get nothing. In fact, they get into difficulties first, with unemployment." Co-operation with business "only works when you understand how business acts and thinks", he adds.

Mr Schröder's closest business ties have come through his membership of the supervisory board of Volkswagen, the car maker and Lower Saxony's biggest employer, and his involvement with the Hanover trade fairs. His VW role he says, has taught him how globally active companies work.

Mr Schröder's ties to business have caused tensions with parts of the SPD. During the party's annual congress in 1996, Andrea Nahles, the leftwing leader of today's Juso, screamed at him: "If you like cars so much, why not set up a car party?"

The appearance shortly afterwards of Mr Schröder and his third wife Hiltraud at the Vienna opera ball in the box of Ferdinand Pösch, the multi-millionaire head of VW,

appeared to confirm the worst doubts of party leftwingers. But Mr Schröder's combination of qualities enables him to appeal to a wider range of voters than any SPD candidate since Helmut Schmidt, the last SPD chancellor, lost power in 1982. There are some who theorise that his three divorces are an asset in an age when television soap operas increasingly set standards of behaviour. And for the moment, at least, the party is squarely behind the man who offers it its most realistic chance of power in Bonn for 16 years.

The SPD's unity has been one of this year's most unexpected developments. It reflects the determination of Mr Schröder and Oskar Lafontaine, the party leader, to allow no internal dissent to jeopardise the campaign.

Outside Munich's town hall, Mr Schröder dips into his past to rally 12,000 party faithful to his cause. Insisting that "the right to higher education should not depend on the size of mummy's or daddy's purse", he accuses Mr Kohl's government of allowing the numbers of working-class children at German universities to drop.

He defends SPD plans to restore curtailed entitlements to the state pension system, arguing that the cuts were socially unjust and hurt war widows and others scraping by on DM900 (€317) a month. "My mother is affected by this. I can help her. But I haven't forgotten that there are elderly women like my mother who don't have sons who can help."

He uses the crises in Russia and South East Asia to argue that a generous welfare state is good economic policy. Russia's grotesque gulf between rich and poor is what landed it in trouble. Germany's future, he argues, is that of a stakeholder society, based on a fair distribution of wealth.

It is a tightrope-walker's message, with a bit of Blair and a whiff of Jospin. Although Mr Schröder denies any policy shift, his arguments highlight the problems facing a reformer who is the standard bearer of a largely unreformed party.

Mr Berger, the management consultant, believes that Mr Schröder, if elected chancellor, would not spring surprises. "He is pragmatic and not ideological, which means he would not do stupid things. He would also be predictable because he would do everything necessary to stay in power."

But the German elector can be forgiven some confusion as polling day approaches. The choice, it seems, lies between the outworn and the unclear.

Serb's law

In Bosnia, it seems, if anything can go wrong, it will. Guy Dinmore reports on the current elections and what they mean for the Dayton peace process

"Devastated." "Stunned." "I'm packing my bags."

The initial reaction of western officials and aid workers to the projected outcome of last weekend's elections in Bosnia - sweeping victories by hardline nationalists - has led to fervent soul-searching and the much feared question, what now?

Final results are to be announced next week by the Organisation for Security and Co-operation in Europe (OSCE). But the trend is clear. Against most expectations, Nikola Poplasen, the leader of the ultra-nationalist Radical party, is set to defeat Biljana Plavsic, the western-backed president of Republika Srpska, the Serb-controlled half of Bosnia. The Radicals and their nationalist allies, the Serb Democratic party (SDS), are likely to form a new government and send the pro-western prime minister into opposition.

The results could wreck western policy in Bosnia. The US-mediated Dayton peace treaty that ended the civil war nearly three years ago now appears little more than a ceasefire agreement

that can only be enforced by keeping Nato troops in Bosnia indefinitely. The Dayton goals of rebuilding an ethnically integrated country that could stand on its own feet as an independent state have been blown to pieces.

The rest of the world is in the middle of spending more than \$5bn on a "reconstruction and recovery" programme, plus billions more maintaining more than 32,000 Nato-led troops and another army of civil servants. For a country of just 3.6m people, this represents the biggest per-capita aid effort in the world.

"It has been a monumental, monumental effort," said one senior European official. "What has been achieved? Nikola Poplasen as president is like having Le Pen as the head of the European Commission."

Effectively running Bosnia as a protectorate with the Spanish diplomat Carlos Westendorp as governor, the international community backed Mrs Plavsic to the hilt, despite misgivings over her own nationalist leanings. Since she defected from the SDS last year and took a more pragmatic line, Nato troops seized police stations

and broadcasting stations from hardliners. The Office of the High Representative, Mr Westendorp, dismissed obstructive local mayors. The OSCE removed dozens of what it regarded as unsavoury nationalist candidates from electoral lists. Aid money began pouring into the Serb half of Bosnia.

A few days before the polls, one official explained the strategy. "The building blocks for democracy and stability are in place," he said. "Psychologically the bubble has burst." He was wrong.

Mladen Savic, a 22-year-old student of history with excellent English, explained why he voted for Mr Poplasen even in Mrs Plavsic's stronghold of Banja Luka. "The economy is not everything," he said. "If you are a patriot the economy is not the priority. I don't want a multi-ethnic society. My father was killed by his Croat neighbours. I want

good relations with Muslims and Croats, but I don't want them to live here."

"People from the west say we must live together and we'll be all right. But if we return as before there could be war again. I don't believe in Dayton. It's not the will of the people or the politicians. It was imposed by the USA. We have the right to be independent if we want."

This refrain was repeated across Republika Srpska, especially among Serb refugees who say they just do not want to go back to their former homes in Croatia or what is now the Muslim-Croat federation.

Many simply did not trust Mrs Plavsic, saying she had betrayed her party. Her goal was to divide Bosnia in two and remove Nato from the region, she was also aware that their weakened forces would be no match for a stronger Croatia and a Bosnian Muslim-dominated army boosted by the US Train and Equip programme.

Already there is talk among diplomats that Dayton will have to be scrapped and that a wholesale redrawing of former Yugoslav borders along ethnic lines is considered.

One idea is to give Serbia part of Republika Srpska in exchange for independence or union with Albania of

that of the west, they said, was to rewrite Dayton and create a "unitary" Bosnia where Republika Srpska - which has most of the attributes of an independent state - would be subsumed into one Muslim-dominated country.

Diplomats also underestimated, external factors, namely the rise of nationalist forces in neighbouring Serbia that propelled Vojislav Seselj and his Serbian Radical party into a ruling coalition with President Slobodan Milosevic. Mr Seselj, a former paramilitary leader in the Bosnian war, has close personal ties with Mr Poplasen, a university professor. Their two Radical parties are intimately linked and share the same aim of creating a "Greater Serbia" that would encompass Serbia, Montenegro, as well as parts of Croatia, Bosnia and even Macedonia.

Mr Poplasen told the FT that, even if it took 50 years,

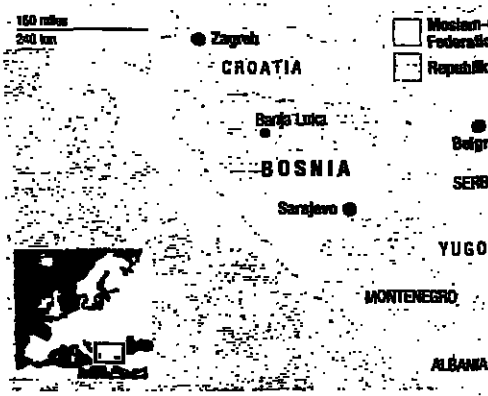
"Greater Serbia" was still their goal, through political means.

His vision of a virtually ethnically pure Republika Srpska will put an end to the already slow process of refugee returns. Mr Poplasen says he wants to do business with the international community and attract foreign investment, but diplomats warn that several hundred million dollars in aid earmarked for the Serb half of Bosnia will be cut off unless he keeps the Dayton peace process on track.

Most analysts agree that to divide Bosnia in two and remove Nato would invite renewed war. The Serbs are also aware that their weakened forces would be no match for a stronger Croatia and a Bosnian Muslim-dominated army boosted by the US Train and Equip programme.

Already there is talk among diplomats that Dayton will have to be scrapped and that a wholesale redrawing of former Yugoslav borders along ethnic lines is considered.

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View from the middle

Patti Waldmeir finds Detroit folk at odds with Washington over impeaching Clinton

There it was, the banner headline, inviting the citizens of Detroit to rise up in outrage:

"IMPEACHABLE OFFENSES" the newspaper shrieked in bold type. Political hearts beat faster at the thought that the placid majority might finally take up arms against the man who defied the presidency.

But read on: "HIGH CRIMES AND INTERCEPTIONS" says the subhead, printed beneath a photograph of four heavily armoured men in football uniforms. The offences in question, it seems, were sporting in nature: Detroiters were invited to condemn not President Bill Clinton but the hometown Detroit Lions for failing in gridiron combat against the Cincinnati Bengals.

Elsewhere on the page, another promising headline, in bold red capitals: MAKING HISTORY. But no, sport is again supreme: the history being made is in baseball, where duelling home-run giants Mark McGwire and Sammy Sosa provide an alternative vision of American heroism. Headline size is not

everything, of course. But the judgments made by headline writers in this industrial bit of middle America - news about impeachment goes on the front page, but closely rivalled by sport, business or local events - are echoed everywhere citizens gather for civic conversation. In the gym, the beauty salon, the coffee shop, in restaurants, classrooms, and by the soccer field, there is universal disgust and embarrassment at the president's conduct - and almost as universal agreement that impeachment is a punishment disproportionate to the crime.

The subject is approached with caution. First, the ritual condemnation of the sexual behaviour involved - some variant of the words "of course I think what he did was disgusting". Even those who oppose impeachment - or perhaps especially those who do -

want to place on record their revulsion.

Next, from women voters (especially Democrats), the sentences that follow are less ferile. Most Detroiters, and a majority nationwide, do not want to make history by electing a president from office over a private transgression. Most say they want some kind of third way - to punish by censure or resignation without paying a constitutional price for it. Otherwise, in the words of one beauty salon attendant (not to mention the rest of the world), "history will laugh at us".

That is what Americans have consistently told opinion pollsters, well within the hearing of their Congressmen. And that will - presumably - determine the denouement of the impeachment drama. For in an online republic, the public will be instantly surveyed; the rest is just democracy by numbers. Or is it? Despite an

enduring, two-thirds opinion poll majority opposed to impeachment, Capitol Hill continues to entertain election to a real possibility. Why such a huge gulf between lawmakers and their flock? Is impeachment, just as President Clinton said earlier this week, a Washington thing?

There are those, in Detroit as elsewhere, who would say yes: voters who believe the District of Columbia, with all its government offices, lobbyists and lawyers, should be detached from the mainland and floated offshore to be run as a separate republic.

But even those who wish to retain the District in the Union feel a curious alienation from the drama unfolding there. This answer may be that Washington, the nation's capital, is in reality a village. Those who live there (mostly politicians and journalists) abhor those who perform shocking acts on the village green. As one

prominent Washington conservative said recently: "If you live in Peoria and someone soils the nest in Washington, it is not your nest. But if you live in Washington, it's personal."

Perhaps he is right, and the impetus to impeachment is partly personal: journalists and politicians feel offended by the deceit and humiliation visited on them by their president. Normal citizens of Detroit, among other cities, are offended too. But they have an overwhelming desire to forget, rather than to forgive or flagellate.

It is not that Detroit is uninterested in presidential conduct - reprints of the Starr report have sold well throughout the city at \$1 a copy. But for the moment, Detroit simply cannot summon sufficient outrage for impeachment. Instead, Detroiters wonder how they will explain to their grandchildren that the worst crime ever committed against the state was an act of pitiful perversion committed by a president whose sexual appetites have long been legendary. It's enough to make any reader turn to the sports pages.



Big hitter. The exploits of baseball star Mark McGwire rival Washington scandal for the attention of middle America

Spill, in Lito

COMMODITIES & AGRICULTURE

Disruption of supply fears lift oil price

WEEK IN THE MARKETS

By Philip Coggan, Markets Editor

While a profit warning from Royal Dutch/Shell saw the prices of oil companies battered in the stock market, Brent crude moved higher on reports that a tropical storm in the Gulf of Mexico might disrupt supply.

The storm forced staff evacuations at oil companies in the Gulf on Thursday. The front-month contract traded above \$14 a barrel for the first time since June, while Brent, December futures moved to \$14.57 from \$13.54 on Thursday.

Sugar prices fell to an 11-year low in Chicago trading as the recent downward trend in the sweetener continued. A fall in demand in Asia and Russia has coincided with good growing conditions in sugar producing countries to produce a surplus, estimated at 1m-2m tonnes this year, growing to a possible 4m-5m tonnes next year.

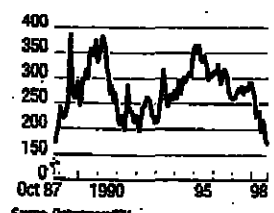
The spot October contract on the Coffee, Sugar & Cocoa Exchange (CSCE) fell to 6.72 cents per pound at one point, with some analysts forecasting a potential drop to 5 cents. There were reports that Brazilian producers, worried about the effect of devaluation, were selling heavily.

"While sugar is very cheap at these prices, the devaluations in key exporting countries mean that the cost of production has been significantly reduced," commented GNI Research.

Cocoa futures initially pushed higher after a Thurs-

Sugar

Raw price (\$ per tonne)



Source: Datastream

LME warehouse stocks

	Tonnes	Change
Aluminium	507,400	+4125
Aluminium alloy	76,200	-140
Copper	279,500	+4875
Lead	118,275	-75
Nickel	50,022	-150
Zinc	268,500	+3250
Tin	6,370	+250

* Thursday's close

day night report from ED & F Man, which forecast that the 1997-98 world deficit would be a record 220,000 tonnes and would be followed by a 1998-99 deficit of 150,000 tonnes. That would leave world stock at its lowest level for 10 years, said ED & F Man, which said its forecasts on zero consumption growth.

But in the afternoon, the LIFFE December cocoa contract, which briefly dipped below \$1,000 a tonne on Thursday, closed at \$1,005.

Gold was fairly steady as Wall Street showed modest signs of recovery after the Dow Jones Industrial Average had dropped more than 200 points on Thursday. In recent sessions, gold has been seen as a beneficiary of stock market turbulence, taking tentative steps towards resuming its old role as a "safe haven".

WEEKLY PRICE CHANGES

	1998	1997	1996	1995	1994	1993	1992	1991	1990
Silver per 100 oz	5290.95	-2.50	5272.25	5272.25	5272.15	5272.15	5272.15	5272.15	5272.15
Gold per 100 oz	286.00	-3.75	282.75	282.75	282.75	282.75	282.75	282.75	282.75
Aluminium 99.7% (cash)	5137.5	-28.0	5109.5	5109.5	5109.5	5109.5	5109.5	5109.5	5109.5
Copper Grade A (cash)	5164.1	-33.0	5131.0	5131.0	5131.0	5131.0	5131.0	5131.0	5131.0
Lead (cash)	5113.5	-4.5	5065.5	5065.5	5065.5	5065.5	5065.5	5065.5	5065.5
Nickel (cash)	5046.5	-50.0	5046.5	5046.5	5046.5	5046.5	5046.5	5046.5	5046.5
Zinc SHS (cash)	5078.0	-36.0	5041.5	5041.5	5041.5	5041.5	5041.5	5041.5	5041.5
Tin (cash)	5550.0	-70.0	5480.0	5480.0	5480.0	5480.0	5480.0	5480.0	5480.0
Coffee Futures Sep	5982.0	-28.0	5954.0	5954.0	5954.0	5954.0	5954.0	5954.0	5954.0
Coffee Futures Sep	5168.0	-22.0	5146.0	5146.0	5146.0	5146.0	5146.0	5146.0	5146.0
Sugar (LDP Raw)	5172.0	+11.0	5161.0	5161.0	5161.0	5161.0	5161.0	5161.0	5161.0
Cocoa Futures Sep	5170.0	-1.0	5169.0	5169.0	5169.0	5169.0	5169.0	5169.0	5169.0
Cocoa Futures Sep	5170.0	-1.0	5169.0	5169.0	5169.0	5169.0	5169.0	5169.0	5169.0
Wool (44 Super)	300.0	-0.50	299.50	299.50	299.50	299.50	299.50	299.50	299.50
Oil (Brent Blend)	514.00	+0.25	513.75	513.75	513.75	513.75	513.75	513.75	513.75

For more information, contact: P. Coggan, C. Davis, B. V. H. H.

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

Aluminium, 99.7% purity (\$ per tonne)

Cash 1317-18 1348.5-9.0

Previous 1321-22 1352.5-3

High/Low 1317-18 1342-25

AM Official 1311-12 1342-25

Karb close 1348-49

Open int. 287,871

Total daily turnover 95,951

Aluminium alloy (\$ per tonne)

Cash 1140-50 1170-80

Previous 1140-45 1170-75

High/Low 1140-45 1170-75

AM Official 1137-42 1168-89

Karb close 1170-80

Open int. 7,003

Total daily turnover 600

LEAD (\$ per tonne)

Cash 513-14 520-7

Previous 511.5-5.5 524/512

High/Low 511.5-5.5 524/512

AM Official 512-2 533-24

Karb close 537-89

Open int. 37,769

Total daily turnover 8,559

NICKEL (\$ per tonne)

Cash 4000-70 4135-40

Previous 4000-10 4130-40

High/Low 4000-10 4130-40

AM Official 4000-45 4075-80

Karb close 4130-40

Open int. 59,945

Total daily turnover 16,150

TIN (\$ per tonne)

Cash 5500-10 5380-90

Previous 5450-60 5340-50

High/Low 5450-60 5340-50

AM Official 5475-80 5375-80

Karb close 5385-90

Open int. 13,491

Total daily turnover 2,852

ZINC, special high grade (\$ per tonne)

Cash 975-5.5 1002-3

Previous 975-5.5 1000-01

High/Low 975-5.5 1000-01

AM Official 970-1 1006-7

Karb close 1006-7

Open int. 64,306

Total daily turnover 40,990

COPPER, grade A (\$ per tonne)

Cash 1641.5-11.5 1658-65

Previous 1641.5-11.5 1658-65

High/Low 1641.5-11.5 1658-65

AM Official 1621-22 1646-47

Karb close 1646-47

Open int. 165,777

Total daily turnover 48,370

LME AM Official \$/tonne 1.8797

LME Closing \$/tonne 1.8899

Spot: 1.8835 \$/tonne; 1.8772 \$/tonne; 1.8891 \$/tonne; 1.8825

Precious Metals continued

GOLD COMEX (100 Troy oz. \$ per ounce)

Sett. Day's price change High Low Vol. Open

Sep 281.2 -0.2 282.0 281.0 22 44

Oct 281.4 -0.2 282.0 281.0 2015 5352

Nov 281.2 -0.2 282.0 281.0 2015 5352

Dec 281.2 -0.2 282.0 281.0 2015 5352

Jan 281.2 -0.2 282.0 281.0 2015 5352

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CURRENCIES & MONEY

Dollar gains

MARKETS REPORT

By Simon Kuper

The dollar rose yesterday as fears for Latin America eased, and prospects that President Bill Clinton might be impeached faded.

The US public still seems to support him, even if embarrassing videotapes of his testimony to a grand jury over sexual scandals will be released on Monday.

The news of their release dented the dollar only briefly.

As for Latin America, the market thinks the West will provide enough support to save the Brazilian real from devaluation.

News that Brazil's world probably get approval for a \$1.5bn loan from the Inter-American Development Bank was welcomed, even though that amount of capital has been leaving the country every day recently.

A week ago traders had been talking about a western support package worth \$100bn in all.

The dollar advanced 1.1 pips against the D-Mark and 0.5 against the yen to end the week in London at DM1.692 and ¥123.8. The dollar faces resistance at about DM1.690 and ¥123.8.

Japan's government and opposition parties yesterday agreed on first steps to tackle the country's banking crisis. The ailing Long Term Credit Bank of Japan will be nationalised and then liquidated, and a ¥13,000bn public fund to recapitalise weak banks will be abolished.

However, the news did little to buoy the yen. Most foreign exchange strategists think the currency will drop after September 30, the end of Japan's fiscal half-year, when companies will stop shoring up their balance sheets by bringing home capital.

Currency trading was thin yesterday and far calmer than it has been recently, as dealers waited in vain for direction from listless stock markets. Much of the market is taking a long weekend because of Jewish holidays on Monday and Tuesday.

The Danish central bank yesterday raised interest rates to protect its currency, after confirming that it had also intervened in the market four days running. The repo and certificate of deposit rates rose 1 percentage point to 5 per cent, 170 points above the German repo rate. The discount rate jumped 50 basis points to 4.25 per cent. The krone firmed slightly.

The currency has come under attack partly because the market thinks it might be devalued before it joins the second incarnation of the European exchange-rate mechanism.

European finance ministers are discussing ERM II this weekend. Denmark is not joining the launch of

European monetary union, and with global markets in turmoil, that has led to its currency being perceived as a relatively risky high-yielder compared with the rest of northwestern Europe. It has also suffered from the slides in the Swedish and Norwegian currencies.

The ruble continued to plunge on fears that Russia will print money to pay overdue wages. The currency had risen earlier this month, manipulated higher by Russian banks that needed it strong when they paid off their dollar debts. Yesterday it dropped to about R818 against the dollar in offshore trading.

Yevgeny Primakov, the new prime minister, said the government was planning "a series of measures on regulating the foreign exchange market and strengthening control of foreign currency operations." He hoped these measures would start to have an effect next week.

The government's main aim, he said, would be to keep the ruble stable and maintain its purchasing power.

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WORLD INTEREST RATES

MONEY RATES

Country	Rate	Country	Rate	Country	Rate
Belgium	3 1/2	France	3 1/2	Germany	3 1/2
Italy	4 1/2	Netherlands	4 1/2	Sweden	4 1/2
Switzerland	4 1/2	UK	4 1/2	US	4 1/2
Japan	5 1/2				

EURO CURRENCY INTEREST RATES

Country	Rate	Country	Rate	Country	Rate
Belgium	3 1/2	France	3 1/2	Germany	3 1/2
Italy	4 1/2	Netherlands	4 1/2	Sweden	4 1/2
Switzerland	4 1/2	UK	4 1/2	US	4 1/2
Japan	5 1/2				

THREE MONTH EURO CURRENCY INTEREST RATES

Country	Rate	Country	Rate	Country	Rate
Belgium	3 1/2	France	3 1/2	Germany	3 1/2
Italy	4 1/2	Netherlands	4 1/2	Sweden	4 1/2
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POUND SPOT FORWARD AGAINST THE POUND

Country	Rate	Country	Rate	Country	Rate
Belgium	3 1/2	France	3 1/2	Germany	3 1/2
Italy	4 1/2	Netherlands	4 1/2	Sweden	4 1/2
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Switzerland	4 1/2	UK	4 1/2	US	4 1/2
Japan	5 1/2				

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Country	Rate	Country	Rate	Country	Rate
Belgium	3 1/2	France	3 1/2	Germany	3 1/2
Italy	4 1/2	Netherlands	4 1/2	Sweden	4 1/2
Switzerland	4 1/2	UK	4 1/2	US	4 1/2
Japan	5 1/2				

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Belgium	3 1/2	France	3 1/2	Germany	3 1/2
Italy	4 1/2	Netherlands	4 1/2	Sweden	4 1/2
Switzerland	4 1/2	UK	4 1/2	US	4 1/2
Japan	5 1/2				

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Country	Rate	Country	Rate	Country	Rate
Belgium	3 1/2	France	3 1/2	Germany	3 1/2
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CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

EUROPEAN CURRENCY			
CS	Y	EW	Rate
700	2,865	380.6	2.456
700	2,270	1,550	2,233
466	2,895	1,783	2,242
151	1,004	1,051	76.52
178	1,004	1,051	76.52
178	1,004	1,051	76.52
178	1,004	1,051	76.52
178	1,004	1,051	76.52
178	1,004	1,051	76.52
178	1,004	1,051	76.52
178	1,004	1,051	76.52
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UNIT TRUSTS

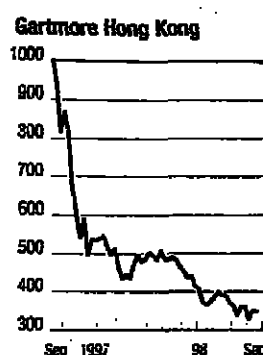
WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR:

Barrington Growth	1,409
CF Gley European Acc	1,357
Investco European Growth	1,338
Investco European Small Cos	1,333
CF The Utilities	1,294

BOTTOM FIVE OVER 1 YEAR:

HSBC Singapore & Malaysian Gth	258
Garniers Flight Asian Sm Cos	320
Schroder Seoul	320
Fidelity ASEAN	331
Gartmore Hong Kong	348



TOP FIVE OVER 3 YEARS:

Investco European Growth	2,101
Investco European Small Cos	2,090
Newton European	1,999
TU European	1,984
Threadneedle Euro Sel Gt Acc R	1,953

BOTTOM FIVE OVER 3 YEARS:

Old Mutual Thailand Acc	131
Schroder Seoul	203
Sare & Prosper Korea	205
Fidelity ASEAN	208
HSBC Singapore & Malaysian Gth	218

TOP FIVE OVER 5 YEARS:

GA North America Growth	3,110
Investco European Growth	3,020
Gartmore European Sel Opps	2,961
Investco European Small Cos	2,897
Threadneedle Euro Sel Gt Acc R	2,816

BOTTOM FIVE OVER 5 YEARS:

Save & Prosper Korea	214
Old Mutual Thailand Acc	236
Schroder Seoul	244
HSBC Singapore & Malaysian Gth	261
Fidelity ASEAN	291

TOP FIVE OVER 10 YEARS:

GA North America Growth	6,858
F&C US Small Companies	6,259
Aberdeen Profit Technology	6,259
Stratavia American Growth Inc	6,076
Investco European Small Cos	5,929

BOTTOM FIVE OVER 10 YEARS:

Barclays Japan Inc	341
M&G Japan Acc	410
Henderson Japan Smaller Cos	450
Baring Japan Survival	477
Investco Japan Growth	495

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warnings: past performance is not a guide to future performance.

Indices

Index	1 year	3	5	10	Volatility	Yield
Average Unit Trust	934	1185	1438	2087	4.1	2.5
Barclays Investment Trust	1006	1211	1512	2065	5.8	4.4
Bank	1045	1122	1207	1776	0.0	5.7
Building Society	1042	1113	1203	1773	0.0	5.4
Stockmarket: FTSE All-Share	1073	1327	1922	3746	3.3	3.3
Inflation	1033	1082	1189	1517	0.3	-

UK Growth

Trust	1 year	3	5	10	Volatility	Yield
Johnson Fry Slater Growth	982	1821	2188	4225	4.3	1.8
River & Mercantile 1st Growth	1110	1757	2227	-	3.4	1.4
QIM Harley Growth	1020	1697	1940	2377	4.1	1.8
Sainsbury UK Growth	1142	1643	2140	-	3.5	1.8
Barclays Growth Acc	1136	1639	1835	3075	3.2	1.1
SECTOR AVERAGE	1016	1365	1682	2761	3.8	1.6

UK Growth & Income

Trust	1 year	3	5	10	Volatility	Yield
CF The Utilities	1294	1751	2332	-	8.4	2.7
Fleming Select UK Income	1148	1655	2125	3297	3.4	2.8
Laurence Keen Income & Growth	1094	1604	1850	-	3.5	3.2
River & Mercantile Top 100	1083	1588	-	-	3.5	3.4
HSBC Fostale Fund	1086	1584	1852	-	3.6	1.9
SECTOR AVERAGE	1035	1398	1681	2924	3.4	2.3

UK Smaller Companies

Trust	1 year	3	5	10	Volatility	Yield
NorthWest UK Smaller Cos	998	1718	-	-	4.5	1.7
Laurence Keen Smaller Cos	1021	1638	2313	-	4.3	1.4
Henderson Exempt Cygnist	1151	1687	1745	-	4.1	1.2
GT UK Smaller Companies Acc	1255	1564	1588	-	4.2	1.2
Gartmore UK Smaller Companies	970	1562	2055	2513	4.5	1.1
SECTOR AVERAGE	941	1169	1429	1980	4.2	1.5

UK Equity Income

Trust	1 year	3	5	10	Volatility	Yield
Jupiter Income	1044	1608	2361	4671	2.9	4.0
BWD UK Equity Income	1061	1594	2043	3331	3.1	3.5
Fidelity Income Plus	1078	1576	1675	2483	3.2	4.4
Premier Dividend	1177	1572	2068	2130	3.4	3.6
NPI Global Care Income	1124	1556	-	-	3.0	2.9
SECTOR AVERAGE	1038	1384	1636	2850	3.1	4.0

UK Equity & Bond Income

Trust	1 year	3	5	10	Volatility	Yield
Marlborough HI UK High Income	1141	1500	-	-	2.4	5.5
CIS UK Income	1124	1498	1731	-	2.8	3.5
CU PPT High Yield	1127	1478	1689	2740	2.6	5.3
HSBC High Income	1065	1475	-	-	2.4	5.5
Abbey National Extra Income	1054	1472	1680	3381	2.3	4.8
SECTOR AVERAGE	1048	1328	1488	2485	2.4	5.1

UK Eq & Bd

Trust	1 year	3	5	10	Volatility	Yield
Carlife Income Dis	1052	1480	1666	2749	2.8	2.9
Perpetual High Income	1000	1410	1784	4244	3.2	3.5
AXA Sun Life High Yld Inc	1045	1405	1828	2595	2.7	3.5
NPI UK Extra Income Inc	1073	1404	1733	-	2.8	2.0
AXA Sun Life Income & Gth Inc	1019	1385	1587	2625	2.9	2.4
SECTOR AVERAGE	1038	1374	1648	2599	2.8	2.9

UK Fixed Interest

Trust	1 year	3	5	10	Volatility	Yield
CU PPT Preference Inc	1269	1597	1647	2508	2.2	5.7
Pratt Profit & Fixed Interest	1161	1496	1572	2241	1.5	5.0
CU PPT Monthly Income Plus	1185	1488	1624	-	1.8	6.7
Henderson Preference & Bond	1168	1485	1582	2175	1.1	6.4
Dynadine RCM Preference Inc	1172	1479	1647	2520	1.4	6.7
SECTOR AVERAGE	1098	1313	1421	2214	1.4	6.0

UK Gift

Trust	1 year	3	5	10	Volatility	Yield
Fidelity Institutional Lg Glt	1250	1547	-	-	2.1	5.5
Mercury Long-Dated Bond	1178	1433	1516	-	1.9	4.0
M&G Gilt & Food Interest	1162	1408	1502	2310	1.8	4.9
Murray Gilt	1153	1356	1441	2402	1.4	5.8
Fleming Select UK Bond	1155	1354	-	-	1.2	6.3
SECTOR AVERAGE	1117	1270	1383	2168	1.2	5.1

Far East exc Japan

Trust	1 year	3	5	10	Volatility	Yield
Friends Prov Australian	746	963	1266	2354	4.8	-
HSBC Hong Kong Growth	414	889	1214	3942	9.3	2.7
INVESTCO Hong Kong & China	405	778	913	3286	9.6	2.7
GT Orient Acc	433	645	751	-	8.1	-
Henry Cooke LG East Enterprise	385	639	-	-	9.1	1.5
SECTOR AVERAGE	456	469	601	1880	8.3	1.9

Far East Inc Japan

Trust	1 year	3	5	10	Volatility	Yield
Save & Prosper Far East Sm Cos	685	960	820	-	5.6	0.9
AIB Govett Greater China	388	648	838	1633	9.1	-
Royal & SunAll Far East	619	635	741	941	6.7	1.5
Bank of Ireland Ex Mgd Growth	590	630	688	1317	6.2	-
Smith & Williamson Far East	585	629	618	-	5.3	0.5
SECTOR AVERAGE	590	542	626	1203	6.0	1.2

Japan

Trust	1 year	3	5	10	Volatility	Yield
GT Japan Growth	822	827	858	1135	3.2	0.0
Murray Japan Growth	856	755	727	-	5.1	-
Baillie Gifford Japanese	759	749	889	1072	5.4	-
Newton Japan	696	748	844	833	5.7	-
Martin Currie Japan	704	728	724	-	5.5	-
SECTOR AVERAGE	670	653	611	722	5.8	0.4

Europe

Trust	1 year	3	5	10	Volatility	Yield
INVESTCO European Growth	1338	2101	3020	5904	6.0	-
INVESTCO European Small Cos	1333	2080	2887	5829	5.5	-
Newton European	1263	1999	2628	4883	5.4	0.1
TU European	1213	1984	-	-	4.2	1.2
Threadneedle Euro Sel Gt Acc R	1182	1963	2816	4843	5.5	-
SECTOR AVERAGE	1127	1613	2111	4167	5.1	0.6

Global Emerging Mkts

Trust	1 year	3	5	10	Volatility	Yield
Stewart Ivory Emerging Market	465	658	797	-	7.8	0.9
Gartmore PS Emerging Markets	534	637	570	-	8.0	1.5
Mercury Emerging Markets	428	628	722	-	8.4	0.4
Marlborough HI Global Em Mkts	553	586	-	-	6.6	-
Save & Prosper Emerging Mkts	481	581	-	-	9.0	1.0
SECTOR AVERAGE	486	541	609	1417	7.9	1.1

International Equity Income

Trust	1 year	3	5	10	Volatility	Yield
GT International Income Inc	1152	1584	1778	3792	3.4	2.7
Mayflower Global Income	1040	1344	1587	2763	3.1	2.4
M&G International Income	977	1230	1490	3056	3.4	4.3
Premier Global 100	1034	1232	1485	1803	3.8	-
SECTOR AVERAGE	1035	1388	1580	2853	3.4	2.4

International Fixed Interest

Trust	1 year	3	5	10	Volatility	Yield
Baring Global Bond	1053	1290	1375	-	1.5	5.1
Newton International Bond	1068	1259	1262	-	1.9	4.3
Barclays BGI Intl Fix Int Inc	1071	1258	1282	-	1.0	4.5
Marlborough Managed	1067	1230	1319	2357	1.7	3.7
AES Int Bond & Convertible	1055	1213	1260	-	1.2	5.4
SECTOR AVERAGE	1018	1078	1131	1876	1.7	4.7

International Equity & Bond

Trust	1 year	3	5	10	Volatility	Yield
Fleming General Opportunities	1088	1468	1622	-	2.4	3.4
GA Income Portfolio	1002	1344	1488	-	3.7	2.5
Aberdeen Profit Glo Inc Inc	1084	1303	1484	2418	2.2	3.4
Bank of Ireland Ex Mgd Growth	983	1288	1627	-	2.9	2.2
MW Joint Investors Income	1074	1294	-	-	2.4	4.1
SECTOR AVERAGE	996	1216	1421	2697	2.7	2.5

International Growth

Trust	1 year	3	5	10	Volatility	Yield
Save & Prosper Financial Secs	988	1886	2205	4329	4.5	0.5
Framlington Financial	1026	1681	2056	5722	4.7	0.4
Marlborough Global Utilities	1210	1550	-	-	4.2	1.3
Hill Samuel Financial	1010	1538	1805	3808	4.3	1.4
Save & Prosper Growth	1063	1515	2001	3972	3.9	0.7
SECTOR AVERAGE	894	1144	1412	2689	4.8	1.1

Best Peps

Trust	1 year	3	5	10	Volatility	Yield
INVESTCO European Growth	1338	2101	3020	-	6.0	-
INVESTCO European Small Cos	1333	2080	2887	-	5.5	-
Newton European	1263	1999	2628	-	5.4	0.1
TU European	1213	1984	-	-	4.2	1.2
Threadneedle Euro Sel Gt Acc R	1182	1963	2816	-	5.5	-
AVERAGE UT PEP	1029	1360	1676	-	5.3	-

Property

Trust	1 year	3	5	10	Volatility	Yield
Aberdeen Profit Property Shr	957	1332	1321	-	3.8	1.1
Novich Property	1063	1303	1482	-	1.0	4.6
Barclays Property	1029	1232	1376	-	0.8	5.1
Avonways Residential Property	981	1178	-	-	0.8	5.3
SECTOR AVERAGE	1005	1261	1398	-	1.8	4.4

Nth America

Trust	1 year	3	5	10	Volatility	Yield
Fleming Select American	1061	1724	-	-	3.8	1.0
Baring American Growth	1097	1722	2079	4319	4.7	-
Gartmore PS I & USA	1087	1714	2225	-	4.2	1.0
Scott Equitable American	1055	1706	2196	5056	4.2	0.8
GA North America Growth	1059	1688	3110	5809	4.8	-
SECTOR AVERAGE	919	1332	1793	3891	4.8	0.6

Commodity & Energy

Trust	1 year	3	5	10	Volatility	Yield
M&G Australian Acc	742	1000	1262	1759	5.6	2.7
M&G Commodity	576	613	898	1326	6.5	1.8
Hill Samuel Natural Resources	637	580	777	1065	6.0	1.5
Save & Prosper Commodity	529	553	750	1248	7.0	-
Lloyds TSB Natural Resources	620	548	767	1700	6.6	1.1
SECTOR AVERAGE	583	547	772	1253	7.7	1.6

■ Investment Trust Units						
Quilter High Inc Inv Trst Acc	1052	1353	1621	-	3.4	
Aberdeen Profit Fd of IT Dis	1196	1237	-	-	3.5	
Premier Enterprise	960	1214	-	-	3.1	
Singer & Friedlander Inv Trs Pt	953	1186	1326	-	4.3	
Equitable Trust of Invest Trs	929	1162	1415	2990	3.7	
SECTOR AVERAGE	937	1129	1376	2736	4.0	

Buying Price	+ or -	Yield %	Int Rate	Selling Price	Buying Price	+ or -	Yield %	Int Rate	Selling Price	Buying Price	+ or -	Yield %	Int Rate	Selling Price	Buying Price	+ or -	Yield %	Int Rate	Selling Price	Buying Price	+ or -	Yield %
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(Open-ended investment companies)

UK Growth	5	200.00	818.81	-7
Global Growth	6	87.38	83.05	-7

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1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-00	2100-01	2101-02	2102-03	2103-04	2104-05	2105-06	2106-07	2107-08	2108-09	2109-10	2110-11	2111-12	2112-13	2113-14	2114-15	2115-16	2116-17	2117-18	2118-19	2119-20	2120-21	2121-22	2122-23	2123-24	2124-25	2125-26	2126-27	2127-28	2128-29	2129-30	2130-31	2131-32	2132-33	2133-34	2134-35	2135-36	2136-37	2137-38	2138-39	2139-40	2140-41	2141-42	2142-43	2143-44	2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54	2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64	2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74	2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84	2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94	2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04	2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14	2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24	2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34	2234-35	2235-36	2236-37	2237-38	2238-39	2239-40	2240-41	2241-42	2242-43	2243-44	2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52																																																																																																																																																																																																																																																																																																																																																																																								
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.0

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Company		1999 price	1999 price change	Market Cap(\$m)	1999 High	1999 Low	Company	1999 price	1999 price change	Market Cap(\$m)	1999 High	1999 Low
Abertis	Spain Housing Co	65.5	-	7.75	67.5	65.5	Hamilton PLC	52.5	6.58	60.5	59.5	59.5
Advance	India Digital	11.5	-	1.08	39.5	11.5	Ray 2 P	8.5	39.29	39.29	39.29	39.29
Advanced	Spain Media	62.5	-	0.68	120	32.5	Robeco Inv PLC	27	1.34	27	27	27
Advanced	India P&T	15	-	0.50	15	15	Low Pensions PLC	10	9.44	55.5	54.5	54.5

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EASDAQ
 NASDAQ All-Share Index (EASQ) for 18th September: 724 down 0.55%. Day's high: 736 Day's low: 722.17

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1983	1975	1973	1971	1969	1967	1965	1963	1961	1959	1957	1955	1953	1951	1949	1947	1945	1943	1941	1939	1937	1935	1933	1931	1929	1927	1925	1923	1921	1919	1917	1915	1913	1911	1909	1907	1905	1903	1901	1899	1897	1895	1893	1891	1889	1887	1885	1883	1881	1879	1877	1875	1873	1871	1869	1867	1865	1863	1861	1859	1857	1855	1853	1851	1849	1847	1845	1843	1841	1839	1837	1835	1833	1831	1829	1827	1825	1823	1821	1819	1817	1815	1813	1811	1809	1807	1805	1803	1801	1799	1797	1795	1793	1791	1789	1787	1785	1783	1781	1779	1777	1775	1773	1771	1769	1767	1765	1763	1761	1759	1757	1755	1753	1751	1749	1747	1745	1743	1741	1739	1737	1735	1733	1731	1729	1727	1725	1723	1721	1719	1717	1715	1713	1711	1709	1707	1705	1703	1701	1699	1697	1695	1693	1691	1689	1687	1685	1683	1681	1679	1677	1675	1673	1671	1669	1667	1665	1663	1661	1659	1657	1655	1653	1651	1649	1647	1645	1643	1641	1639	1637	1635	1633	1631	1629	1627	1625	1623	1621	1619	1617	1615	1613	1611	1609	1607	1605	1603	1601	1599	1597	1595	1593	1591	1589	1587	1585	1583	1581	1579	1577	1575	1573	1571	1569	1567	1565	1563	1561	1559	1557	1555	1553	1551	1549	1547	1545	1543	1541	1539	1537	1535	1533	1531	1529	1527	1525	1523	1521	1519	1517	1515	1513	1511	1509	1507	1505	1503	1501	1499	1497	1495	1493	1491	1489	1487	1485	1483	1481	1479	1477	1475	1473	1471	1469	1467	1465	1463	1461	1459	1457	1455	1453	1451	1449	1447	1445	1443	1441	1439	1437	1435	1433	1431	1429	1427	1425	1423	1421	1419	1417	1415	1413	1411	1409	1407	1405	1403	1401	1399	1397	1395	1393	1391	1389	1387	1385	1383	1381	1379	1377	1375	1373	1371	1369	1367	1365	1363	1361	1359	1357	1355	1353	1351	1349	1347	1345	1343	1341	1339	1337	1335	1333	1331	1329	1327	1325	1323	1321	1319	1317	1315	1313	1311	1309	1307	1305	1303	1301	1299	1297	1295	1293	1291	1289	1287	1285	1283	1281	1279	1277	1275	1273	1271	1269	1267	1265	1263	1261	1259	1257	1255	1253	1251	1249	1247	1245	1243	1241	1239	1237	1235	1233	1231	1229	1227	1225	1223	1221	1219	1217	1215	1213	1211	1209	1207	1205	1203	1201	1199	1197	1195	1193	1191	1189	1187	1185	1183	1181	1179	1177	1175	1173	1171	1169	1167	1165	1163	1161	1159	1157	1155	1153	1151	1149	1147	1145	1143	1141	1139	1137	1135	1133	1131	1129	1127	1125	1123	1121	1119	1117	1115	1113	1111	1109	1107	1105	1103	1101	1099	1097	1095	1093	1091	1089	1087	1085	1083	1081	1079	1077	1075	1073	1071	1069	1067	1065	1063	1061	1059	1057	1055	1053	1051	1049	1047	1045	1043	1041	1039	1037	1035	1033	1031	1029	1027	1025	1023	1021	1019	1017	1015	1013	1011	1009	1007	1005	1003	1001	999	997	995	993	991	989	987	985	983	981	979	977	975	973	971	969	967	965	963	961	959	957	955	953	951	949	947	945	943	941	939	937	935	933	931	929	927	925	923	921	919	917	915	913	911	909	907	905	903	901	899	897	895	893	891	889	887	885	883	881	879	877	875	873	871	869	867	865	863	861	859	857	855	853	851	849	847	845	843	841	839	837	835	833	831	829	827	825	823	821	819	817	815	813	811	809	807	805	803	801	799	797	795	793	791	789	787	785	783	781	779	777	775	773	771	769	767	765	763	761	759	757	755	753	751	749	747	745	743	741	739	737	735	733	731	729	727	725	723	721	719	717	715	713	711	709	707	705	703	701	699	697	695	693	691	689	687	685	683	681	679	677	675	673	671	669	667	665	663	661	659	657	655	653	651	649	647	645	643	641	639	637	635	633	631	629	627	625	623	621	619	617	615	613	611	609	607	605	603	601	599	597	595	593	591	589	587	585	583	581	579	577	575	573	571	569	567	565	563	561	559	557	555	553	551	549	547	545	543	541	539	537	535	533	531	529	527	525	523	521	519	517	515	513	511	509	507	505	503	501	499	497	495	493	491	489	487	485	483	481	479	477	475	473	471	469	467	465	463	461	459	457	455	453	451	449	447	445	443	441	439	437	435	433	431	429	427	425	423	421	419	417	415	413	411	409	407	405	403	401	399	397	395	393	391	389	387	385	383	381	379	377	375	373	371	369	367	365	363	361	359	357	355	353	351	349	347	345	343	341	339	337	335	333	331	329	327	325	323	321	319	317	315	313	311	309	307	305	303	301	299	297	295	293	291	289	287	285	283	281	279	277	275	273	271	269	267	265	263	261	259	257	255	253	251	249	247	245	243	241	239	237	235	233	231	229	227	225	223	221	219	217	215	213	211	209	207	205	203	201	199	197	195	193	191	189	187	185	183	181	179	177	175	173	171	169	167	165	163	161	159	157	155	153	151	149	147	145	143	141	139	137	135	133	131	129	127	125	123	121	119	117	115	113	111	109	107	105	103	101	99	97	95	93	91	89	87	85	83	81	79	77	75	73	71	69	67	65	63	61	59	57	55	53	51	49	47	45	43	41	39	37	35	33	31	29	27	25	23	21	19	17	15	13	11	9	7	5	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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Compiled with the assistance of AUTIF SS

All funds within this section, whether held in trust or authorized in the UK by the Financial Services Authority

The prices quoted should only be used as a guide.

ONE: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Share Classes: Separate classes of shares are available to cater for different types of investors.

The symbols are as follows: (P) - 0001 to 1100 hours; (H) - 1101 to 1400 hours; (M) - 1401 to 1700 hours; (N) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

Initial charges: Changes made by a trust from the time of its creation to the time of delivery, including and administrative costs, including commissions paid to intermediaries. For unit trusts the charge is included in the buying price of units. For other trusts the charge is added to the purchase price of the units.

Buying prices: Also called offer prices. The prices at which lots in a unit trust are bought by investors include manager's initial charge.

Selling price: Also called NAV price. The price at which lots in a unit trust are sold by investors.

SEC Single Price: Based on a mid-market price of the underlying securities. The buyer pays the price, and the seller receives the price.

Forward pricing: The letter-f fee shows the net asset value of the fund at the time the investor makes the purchase or sale. The price appearing in the newspaper is the most recent pricing by the management.

and selling price for shares of an OREC on the same. Manager/owner's initial charge is shown separately.

Treatment of manager's periodic charge:
The letter C denotes that the bill reflects all or part of the manager/owner's periodic charge from capital. Contact the manager/owner for full details of the effect of this charge of action.

Schedule particulars, key features and reports:
The most recent report, scheme particulars and key features document may be obtained free of charge from local management/owners.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

55 Association of City Traders and Investment

Full chargeback: The letter E denotes that an exit charge may be made when you exit, unless the transporter is for full return.

THIRD: The first three alphabetic letters of the transporter's name in the title of the exit charge (THIRD) indicate that the transporter is not a third party transporter.

The third parties published in this edition are also published in the "Third Party Transporter" web site, <http://www.FT.com>

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FT MANAGED FUNDS SERVICE

MANAGEMENT SERVICES

MANAGEMENT SERVICES

Money Market Trust Funds

Money Market Trust Funds

Money Market Bank Accounts

Money Market Bank Accounts

Prof Demand Ac	6/24	4,887	61
Prof Demand Ac	6/24	5,745	71
Prof Demand Ac	6/24	5,888	71

* Indication only. Please telephone for exact figures.

Prof Demand Ac	6/24	4,887	61
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Clydesdale Bank Current Gold Acc
30 St Vincent Place, Glasgow G1 2PL

Clydesdale Bank Current Gold Acc
30 St Vincent Place, Glasgow G1 2PL

ET Date	5/25	6/23
Expenses Dept - Insured Account		
1750000	5.20	6
1101000 - 1750000	4.65	4
1750000 - 1101000	2.65	3
1750000 - 1101000	3.15	3
1-50 day notice available for 2001 27.75		

ET Date	5/25	6/23
Expenses Dept - Insured Account		
1750000	5.20	6
1101000 - 1750000	4.65	4
1750000 - 1101000	2.65	3
1750000 - 1101000	3.15	3
1-50 day notice available for 2001 27.75		

125 000 to 149 999	5.31	4.28	5.46
150 000 to 174 999	5.47	4.64	5.93
175 000 to 199 999	5.62	4.82	6.25

Julian Hodge Bank Ltd
 10 Watford Place Cardiff CF1 2JH

30 day running rate	5.25	6.22	5.11
3 month running rate	5.50	6.40	5.36

125 000 to 149 999	5.31	4.28	5.46
150 000 to 174 999	5.47	4.64	5.93
175 000 to 199 999	5.62	4.82	6.25

Julian Hodge Bank Ltd
 10 Watford Place Cardiff CF1 2JH

30 day running rate	5.25	6.22	5.11
3 month running rate	5.50	6.40	5.36

Kleinwort Benson Private Bank
A Division of Kleinwort Benson Investment Group
P.O. Box 1450, Spring Garden City
RICA (755001) . 645 310 666

Kleinwort Benson Private Bank
A Division of Kleinwort Benson Investment Group
P.O. Box 1450, Spring Garden City
RICA (755001) . 645 310 666

£250,000-£499,999	8.10	4.13	
£500,000-£999,999	6.10	5.18	
£1,000,000-£1,999,999	5.95	5.55	
£2,000,000-£2,999,999	7.25	5.64	

Boysal Bank of Scotland plc Private Client

£1,000,000	7.25	5.64	612
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42 J. Andrew SELLERS Esmorath D12 DE 612

£250,000-£499,999	8.10	4.13	
£500,000-£999,999	6.10	5.18	
£1,000,000-£1,999,999	5.95	5.55	
£2,000,000-£2,999,999	7.25	5.64	

Boysal Bank of Scotland plc Private Client

£1,000,000	7.25	5.64	612
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42 J. Andrew SELLERS Esmorath D12 DE 612

ES 500+	6.45	5.18	6.8
Fixed Deposit Rates - available on request			
United Dominions Trust Ltd			
PO Box 112, North, EN4 6DN			0781
Capital Plus Cheque Account			
ES 000+	6.75	5.40	8.2

ES 500+	6.45	5.18	6.8
Fixed Deposit Rates - available on request			
United Dominions Trust Ltd			
PO Box 112, North, EN4 6DN			0781
Capital Plus Cheque Account			
ES 000+	6.75	5.40	8.2

Gross Bill: Gross rate applied to take account compounding of interest paid other than p. Compounding's Nominal Rate',
but the Frequency at which interest is credited is ignored.

Gross Bill: Gross rate applied to take account compounding of interest paid other than p. Compounding's Nominal Rate',
but the Frequency at which interest is credited is ignored.

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA
(FSA RECOGNISED)

[illegible]

GUERNSEY
(FSA RECOGNISED)

[illegible][illegible]

Delphi Asset Management (Delphi Asset Management Co. - \$2.75)

[illegible][illegible]

Investment Series	\$12
Short-Term US Prime Fund	\$6
Service Series	\$6
International Series	\$6

* Acquired 7-Day

[illegible][illegible]

Barry Johnstone (Dublin) Ltd
House, Herbert St. Dublin 2

[illegible][illegible]

Fund Sterling Cash ..	E1 7000
IG International Fund	
Local Gov Bond Mkt Fnd ..	\$81.80 52
Nova Europe Fund Mgrs Intl	
Novo International Inv Fnd	\$204.21

[illegible][illegible]

Northern Trust Global Cast
 Sterling Fund _____ £1.00
 US Dollar Fund _____ \$1.00
Mutual Fund Managers (Iron
Pericles)

[illegible][illegible]

Putnam Fund for the Americas	121.9	
Mutual Intl Fd Managers (Is)		
Foreign Equity	785.44	784.1
Domestic Equity	81.40	1.2

[illegible][illegible]

Fixed Income	3510 25	18.7
Fixed Income	10 00	10.5

[illegible]This image shows a blank, aged, cream-colored page, likely an endpaper or flyleaf of a book. The paper has a slightly textured appearance with some minor discoloration and faint, illegible markings, possibly from the reverse side or due to age. The left edge of the page shows the binding structure, including what appears to be a vertical crease or fold and some stitching or staples. The overall tone is warm and slightly off-white.[illegible]

[The page contains extremely faint, illegible markings and noise.]

The image is a vertical strip of a document page, heavily degraded with noise and artifacts. It shows fragments of text and a table structure. The text is mostly illegible due to the noise, but some words like "Page" and "Table" are visible. The table structure is also partially visible, with some cells containing text.

Abstract

WHY YOU SHOULD BE MORE
New Year's Eve 1999 will be a festive night. Especially if you're working
CONCERNED ABOUT THE DATE ON
with State Street. After all, we're adamant about YEAR 2000 compliant
YOUR PC THAN THE ONE ON YOUR
technology. That way, our systems will continue to ring in reliable
CHAMPAGNE BOTTLE.
and compute data from after we've all finished partying in the new year.



Serving Institutional Investors Worldwide™

FT MANAGED FUNDS SERVICE

● FT Clothing User Trust Prices are available over the telephone. Call the FT Clothing Help Desk at (1-844-171) 873-4378 for more details.

LUXEMBOURG (REGULATED)	ISIN	Currency	Fund Name	Fund Type	Manager	Assets (€)	NAV	YTD %	1Y %									
Aberdeen Fund Managers (Luxembourg) Ltd (a)																		
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FT MANAGED FUNDS SERVICE

Offshore Insurance and Other Funds

FT Managed Funds Service provides a comprehensive list of offshore funds available for investment. The list includes fund names, managers, and key performance indicators. For more information, please contact the FT Managed Funds Service at 0444 177 873 4376 for more details.

Fund Name	Manager	Assets Under Management (£m)	YTD Return (%)	12-Month Return (%)	3-Year Return (%)
Alfred Berg Fund Management (Guernsey) Ltd	Alfred Berg	1,200	15.2	12.5	10.8
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CANCER HITS 1 IN 3.

GIVE YOUR WORKFORCE A CHANCE TO FIGHT BACK.

It is a fact that one third of the people in the UK will get cancer at some point in their lives. Cancer touches the lives of every one - employer and employee alike. Join the Macmillan Nurses in the fight. Telephone 0181 222 7706, or cut out this ad and return it to: Corporate Development Manager, Macmillan Cancer Relief, 3 Angel Walk, London W6 9HX.

Name _____

Company Name _____

Telephone _____

Postcode _____

Macmillan Cancer Relief



Clinton taps adds to Q3 profit worth

[illegible]

SP 500	Open	Latest	Change	High	Low	Est. vol.	Open int.
1026.80	1032.50	+3.00	1035.00	1023.50	156,677	374,332	
Open	Sell price	Change	High	Low	Est. vol.	Open int.	
1388.00	1395.00	+150.00	1395.00	1360.00	22,111	166,035	

Percent figures for previous day.

* Includes, but Excludes, Financial and Transportation.

Percentages of 50 highest and lowest prices received during the day by open market bids and lowest values that the index has reached during the day (The fluctuations).

[illegible]

WORLD STOCK MARKETS

Clinton tape adds to Q3 profit worries

Shell shocks Amsterdam with earnings alert

AMERICAS

US stocks were little changed in early afternoon after the House of Representatives judiciary committee voted to release a videotape of President Bill Clinton's testimony to the grand jury on the Monica Lewinsky case, writes Tracy Corrigan in New York.

The tape and a further 2,800 pages of evidence may cause further embarrassment for the president. Opinion polls continue to show that most Americans want President Clinton to remain in office, but uncertainty surrounding a possible move to impeach the president hung over sentiment.

The Dow Jones Industrial average was down 7.21 or less than 1 per cent at 7,866, while the Standard & Poor's Composite index was off 2.04 at 1,016.83.

The stock market has also been subjected to downward pressure by a continuing flow of profits warnings from US companies, most of which will report third-quarter earnings next month.

Union Carbide said yesterday that its third-quarter earnings could be down as much as 35 per cent from the second quarter as a result of low prices and demand weakness, particularly in Asia. The shares fell 1/8 to 36 1/2.

However, Nike rose 3/8 to 37 1/2 after the sports footwear

company reported much better than expected quarterly earnings and an upswing in future orders. Nevertheless, earnings fell 35 per cent in its first fiscal quarter, as the company continued to suffer from weak sales.

AMP, the electrical connector manufacturer, fell 1/8 to 40 1/2 after it formally rejected Allied Signal's amended tender offer and changed its poison-pill provisions to help fight off the hostile takeover effort.

TORONTO ticked over in early trading. Banks and golds were generally weaker, but there were a number of solid gains among selected industrials. At the noon close the 300 composite index was off just 7.14 at 5,718.50.

Banks, heavily sold on Thursday, stayed dull. Royal Bank of Canada came off 55 cents at C\$61.85 and Bank of Nova Scotia eased 15 cents at C\$48.85. Canadian Imperial, though, hardened 25 cents at C\$29.40. Gold ticked in a 10 cents decline at Placer Dome.

Among industrials, telecommunications leaders rallied after the previous session's steep falls. Northern Telecom added C\$1.85 at C\$61.90 and BCE gained 20 cents at C\$47.95. Alcan Aluminium gave up 50 cents at C\$33.40, but there was plenty of blue ink in evidence.

Seagram improved 5 cents to C\$47.85 and Bombardier rose 25 cents at C\$18.90.

Sao Paulo leaders rally

SAO PAULO rallied on modest buying as the dollar flight of recent sessions appeared to slow significantly. By midsession, the Bovespa index, down 4.7 per cent on Thursday, added 149 at 6,581 or 2.3 per cent.

Leaders pushed higher across the board. Telemar advanced 3.4 per cent to R\$45 and Petrobras, off almost 15 per cent in the previous session, gained 3.5 per cent to R\$119. Eletrobras

improved 1.7 per cent to R\$24.60.

MEXICO CITY also pushed higher, aided by what traders described as modest bargain-hunting. Telcel rose 20 centavos to 21.75 pesos and at midsession the IPC index was up 42.29 or 1.2 per cent at 3,437.77.

CARACAS improved, largely on the back of better oil prices. At midsession, the IBC index was up 97.04 or 3.3 per cent at 3,018.55.

EUROPE

The second profits warning in two days from a heavy-weight kept a restraining hand on European stock markets.

Yesterday the culprit was Shell, the Anglo-Dutch oil giant, and at the close AMSTERDAM sat fair and square at the bottom of the day's performance charts with a decline on the AEX

index of 27.98 or 2.8 per cent at 959.57. Like Alcatel of France on Thursday, Shell announced that second-half earnings were in trouble.

Royal Dutch, the local arm of the oil combine, fell F14.80 or 5.1 per cent to F188.50 with a massive 17.6m shares

mark 183 bond fell to 0.545 per cent after recovering to close at 0.67 per cent, down 0.006 from the day before.

Banking shares gained 0.5 per cent, and the securities sector lost 2.3 per cent, as a political debate over a financial reform bill dragged on in parliament.

The discussion has centred on the use of public funds to rescue ailing banks, including Long Term Capital Management.

Shares in LTCM, which led the market in volume, sank Y3 to Y19. Sakura Bank was up Y3 to Y250, and Fuji Bank improved Y13 to Y365. Sanwa Bank slipped Y13 to Y240. Nomura Securities was down Y41 to Y1,110.

Among blue chips, Toyota Motor touched a year low of Y2,700, but finished up Y70 at Y2,810. Hitachi fell Y14 to Y2,556. NEC slid Y7 to Y2,884. Matsushita Electric was down Y68 to Y1,520.

In Osaka, the OSE index slipped 27 to 14,686.

MANILA reversed the previous session's steep gains, sliding 94.63 or 7.5 per cent to 1,174.61 on the composite

index. Turnover was 2.83 pesos. PLDT accounted for 60 per cent of business, falling 175 pesos to 840 pesos as investors unwound some of Thursday's 25 per cent gains.

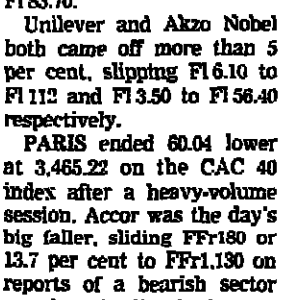
The overnight falls on Wall Street and soft peso provided the trigger for profit-taking in PLDT after its strong run on takeover hopes following the shelving of a rights issue plan.

ASIA RIT was hit by weak first-half results by tobacco group Sampona, and the composite index fell 13.80 or 4.8 per cent to 271.67. Sampona, which posted an unexpected Rp1,800bn loss, fell Rp150 or 6.6 per cent to Rp2,125. Telkom, the most actively traded stock, fell Rp125 or 7.5 per cent to Rp1,550.

Semen Gresik, the state-controlled cement company, rose Rp275 to Rp7,425 ahead of the government's post-market announcement of the partial sale of its stake to Cemex of Mexico.

KUALA LUMPUR was supported by local retail bargain-hunting, with the com-

European integrated oil index



Source: Datastream/FT

post had been overruled by the government, but rallied to close up FFr16.20 at FFr385.

FRANKFURT closed little changed with the Tetra Dax off just 5.66 at 4,623.37 when electronic trading ended.

The insurance sector supplied upside drive. Munich Re added DM36 at DM710 and Allianz gained DM17.30 to DM512.50. Retailers, too, were in demand. Karstadt rose DM28 to DM810 and Metro improved DM3.50 to DM103. SAP, hit lately by a

profit-taking on concerns about the lower dollar and its impact on the companies' earnings, Roche certificates fell SF22.50 to SF15.680 and Novartis lost SF86 to SF111.50.

MILAN edged lower in nervous trading, and the Mibtel index closed down 36 or 0.2 per cent at 19,182.

Eni, the most active issue of the day, fell L\$7 to L\$9.55 on worries over the group's first-half results. The Shell group profits warning also unnerved investors. Piorelli was also affected by the announcement, and declined L\$12 or 0.4 per cent to L\$1.542.

Merger expectations lifted

Shares in Johannesburg edged lower, taking the all share index down 34.6 at 4,844.4.

Industrials led gains at 5.4151 and golds fell 32.7 or 3.2 per cent to 991.3.

Financials bounced off their lows after Thursday's round of heavy selling, adding 97.0 at 6,598.1.

Tokyo lifted by strong bonds

ASIA PACIFIC

Bargain-hunting plus strong bonds, where yields fell to fresh record lows, sent shares in TOKYO higher, writes Alexandra Harney.

The Nikkei 225 Average gained 123.98 or 0.9 per cent to 13,983.12 in moderate trading.

Turnover was 453m shares, and the momentum was positive with 750 shares advancing against 400 declining. The yield on the bench-

mark 10-year bond fell to 0.545 per cent after recovering to close at 0.67 per cent, down 0.006 from the day before. Banking shares gained 0.5 per cent, and the securities sector lost 2.3 per cent, as a political debate over a financial reform bill dragged on in parliament.

The discussion has centred on the use of public funds to rescue ailing banks, including Long Term Capital Management. Shares in LTCM, which led the market in volume, sank Y3 to Y19. Sakura Bank was up Y3 to Y250, and Fuji Bank improved Y13 to Y365. Sanwa Bank slipped Y13 to Y240. Nomura Securities was down Y41 to Y1,110.

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Semen Gresik, the state-controlled cement company, rose Rp275 to Rp7,425 ahead of the government's post-market announcement of the partial sale of its stake to Cemex of Mexico.

KUALA LUMPUR was supported by local retail bargain-hunting, with the com-

posite index up 6.75 or 1.8 per cent at 393.30. Lower-priced stocks in the construction and property sectors were actively bought. Ekran rose 5 cents to 97 cents on hopes of a government rescue, while United Engineers added 7 cents to M\$2.50.

SINGAPORE ended off the bottom with the Straits Times index closing off 28.68 or 3.1 per cent lower at 912.4 after reaching down a low for the session of 906.52. Volume was solid at 163m shares with losers beating gainers by almost 5 to 1. Rate-sensitive property stocks saw heavy selling.

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COMPANIES & FINANCE

For sale or let: Downbeat Royal Dutch/Shell gives the world a dose of reality

big clock plus office block

By Norma Cohen,
Property Correspondent

The largest clock in London – twice the size of Westminster's Big Ben – may go on sale at the end of next year, along with the \$53,000 sq ft building it graces, as part of Shell's efforts to pare its costs.

Shell-Mex House in the Strand, known equally for the art deco heads perched on its rear roof corners as for the courtesy it offers to London's homeless, is to be vacated by some 2,000 Shell employees by the end of next year.

The building was designed by architects Joseph and Co and opened in 1933 as one of London's first purpose-built office blocks.

"People thought it was a huge monstrosity then," a representative said.

The building consists of a horseshoe-shaped front which for a time was turned into a hotel. A corridor leads to a more substantial building behind, overlooking the river Thames.

The windows of its upper floors enjoy sweeping views up and down the Thames from the City of London to Westminster.

The sale of Shell-Mex House could be a blow to

dozens of homeless people, many of them teenagers, who seek the safety of its covered walkway for shelter at night. "We have a policy of letting them stay there overnight," the company said, noting that several other occupiers along the Strand did not take such an approach.

"They know they can come there at night and not be turned out," Shell says. A cleaner each morning to freshen the site.

It is expected that a number of staff will be relocated to Shell's international headquarters at Waterloo, south of the Thames, as well as to other Shell offices in Manchester and Aberdeen. The building is not likely to be completely vacated until the end of 1999.

Shell will assess market conditions and decide whether it should be sold or leased. Shell is also selling headquarters buildings in Hamburg, Paris and Rotterdam.

Shell-Mex House was extensively refurbished about 10 years ago, and lowered ceilings and underground cabling suitable for modern office usage were installed. Its entrance along the Strand is currently under refurbishment.

Trading warning by energy group may be a shrewd way of lowering expectations in period of change, says Robert Corzine

Of all the world's great industrial companies, perhaps none is as well plugged-in to the global economy as Royal Dutch/Shell, the Anglo-Dutch energy group.

Thanks to the central role of oil, natural gas and petrochemical demand within individual economies and Shell's presence in more than 130 countries, it feels the tremors of economic shocks spreading around the world.

In August, Mark Moody Stuart, Shell's new chairman, warned that the Asian downturn was making itself felt in unexpected ways in many other markets. Yesterday's formal warning of deteriorating trading conditions suggests that process is accelerating. "Overall, we expect that the business environment in the second half of the year will be significantly weaker than the first half," said Mr Moody Stuart.

The company said the outlook for all of its main market segments was poor. Average crude oil prices are likely to be "considerably less than \$15 a barrel," compared with more than \$19 last year, while refining margins – which usually benefit from low crude prices – are generally lower than in the second quarter. Conditions in the chemical industry are deteriorating while there is little improvement expected

in marketing margins, according to Shell.

It also warned that there was little prospect for an early turnaround in the crude price, the key component in oil company profitability.

"We think that in the next two to three years it could stay depressed at levels between \$12 and \$15 per barrel."

But yesterday's statement was more than just a warning of tough times ahead. It was also intended to send a message to several key Shell constituencies, including investors, City analysts and employees.

To the outside world, it served as a "reality check" for investors and analysts, some of whose forecasts were in danger of diverging wildly from world events. "We felt we had to sound the bell that things are not what they seem," said a Shell executive yesterday. "We needed to put a marker down that showed exactly where we were."

Shell admitted that its recent investor relations effort had failed to "manage shareholder expectations". The company also acknowledged that it was now unlikely to meet one of its main performance targets – set only last May – to raise its return on average capital employed to between 12 and 12.5 per cent a year. It also said it was considering writing down some assets.

Executives tried hard yesterday to put a positive spin on the statement. They said it signalled the opening of a new phase in the company's much publicised, but patchily implemented transformation.

Advocates of change want to see Shell shed its reputation as a plodding, bureaucratic and internally focused giant in favour of a more bottom-line oriented and commercially savvy company.

Executives also pointed to the fact that Mr Moody Stuart had demonstrated that he was willing to tackle head-on the powerful "country barons" of the UK, the Netherlands, Germany and France, by closing their respective national headquarters.

Senior managers in those countries have been among the most resistant to changes that would strip them of much of their power, as key activities are realigned along regional and business lines.

Executives said such action also served as a signal to Shell's worldwide staff that transformation was about to move beyond the "chat stage", and that no sacred cows would be spared in the process.

A less generous interpretation was that Shell was seeking a "quick fix" to a long-term failure to adjust to the reality of the modern oil



industry. "Aside from the closures, what else is new?" asked John Toolester, oil analyst at London brokers SGS. Any write-down of assets would boost Shell's returns, but it would be at the expense of "acute corporate embarrassment," he said.

Whatever interpretation one chooses to place on yesterday's statement, it was increasingly clear that Shell's transformation was slowing, and that efficiency gains were not materialising fast enough to maintain the company's traditional share

price premium against the rest of the oil sector. Shell's share price performance this year has lagged well behind Exxon, its US arch-rival, even though the Anglo-Dutch group is much larger by most operational and financial measures.

The gloomy trading outlook faced by Shell may turn out to have a silver lining, however, if it serves as a catalyst for substantive change within the group. Many industry observers have long doubted whether such a conservative company as Shell

would really embrace radical change unless it faced a crisis. Most company chairmen would probably cover before the external economic gale that Shell sees on the horizon. But it may be that Mr Moody Stuart may take advantage of the coming storm. An avid yachtsman, he could relish the opportunity to use forces of the economic storm to speed the transformation of Shell. To do this he must make a supertanker perform like a nimble ocean racer.

Flemings downgraded

By Clay Harris

Standard & Poor's yesterday cut the credit ratings of Robert Fleming and revised its outlook for the privately owned UK investment bank from stable to negative. The agency said the downgrading reflected weakness in international markets, especially emerging markets.

S&P said the bank's Asian exposure through its Jardine Fleming venture with Jardine Matheson was a material factor, but it was coincidental that the downgrading came only a day after the Hong Kong-based trading group reported a 63 per cent decline in interim profits.

The agency said it was satisfied Flemings had begun to implement cost cuts. Its balance sheet remained sound and its liquidity was comfortable. But profits would stay under pressure because of personnel costs and preparations for the euro and Year 2000 compliance.

Long-term and short-term counterparty credit ratings have been cut, respectively, from A to A- and from A-2 to A-1. The rating on Robert Fleming Capital's subordinated long-term debt was cut from A- to BBB+, and the ratings on the medium-term note programmes of Robert Fleming Capital and Robert Fleming Finance (Jersey) were also lowered.

Moody's Investors Service changed its outlook for Banco Santander's Aa3 long-term deposit rating and B financial strength rating from stable to negative.

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CVC buys Smurfit's French paper mill

By Virginia Marsh

The consolidation of the European paper industry took another step forward yesterday when CVC Capital Partners agreed to buy France's Condat paper mill from Jefferson Smurfit, the family-run Irish group, for FF1.8bn (\$180m) including debt.

CVC, Europe's largest private equity fund, is buying Smurfit Condat, a coated woodfree mill that produces fine paper, through Carde

del Garda, the Italian paper-maker it acquired last year.

Hardy McLain, managing director of CVC, said the move would propel the merged company into the top five coated woodfree paper producers in Europe.

"There's some interesting consolidation going on in the sector. If the right opportunities come along we might consider further moves," he said.

This year, CVC, with Cinen, co-led the \$1.65bn (\$1bn) buy-out of Kappa Packaging,

its biggest ever, from KNP, the Dutch group.

Michael Smurfit, executive chairman of Jefferson Smurfit, said Condat had been identified as a non-core business because of the Irish group's relatively small market share in fine paper in Europe. However, it would take a 17 per cent stake in the enlarged group for FF1.8bn cash and appoint a member to its board.

"We have turned Condat around from being loss-making and burdened by heavy debts, but we think there is still attractive upside to come," he said.

Mr McLain added that Smurfit's investment had helped bridge price differences during the negotiations, which were initiated by CVC.

Smurfit acquired Condat in 1994 with the purchase of Saint-Gobain's paper and packaging operations for FF1.5bn. Last year it made net profit of £11m on sales of about £155m.

Analysts said the disposal, at a price towards the top end of expectations, was a good strategic move for Smurfit. It is delivering on what it promised, to sell non-core assets, even though cash in the bank might have been preferred to taking the 17 per cent stake, one said.

However, the shares – which have been badly hit by the downturn in US paper stocks and by Asia – fell 14p to 91p, against a year high of 240p.

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Analysts said the disposal, at a price towards the top end of expectations, was a good strategic move for Smurfit. It is delivering on what it promised, to sell non-core assets, even though cash in the bank might have been preferred to taking the 17 per cent stake, one said.

However, the shares – which have been badly hit by the downturn in US paper stocks and by Asia – fell 14p to 91p, against a year high of 240p.

CVC was advised by BT Wolfensohn.

heavy debts, but we think there is still attractive upside to come," he said.

Mr McLain added that Smurfit's investment had helped bridge price differences during the negotiations, which were initiated by CVC.

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Racal and Thomson to form venture

By Robert Wright

Racal Radio, part of the UK's Racal Electronics, is close to establishing a 50-50 joint venture with France's Thomson-CSF to build military communications networks.

The move, announced yesterday, will enable Thomson to sell its expertise in the latest digital radio technology to foreign military buyers, particularly the British army. The companies said they had signed a detailed heads of agreement but final details were still to be resolved.

There is little immediate demand for the technology in France because its army has recently bought a different system.

Brian Newman, an analyst at Henderson Crosthwaite, said the joint venture would put Racal and Thomson in sole position to win the British Army's £300m (\$495m) Bowman Local Area System contract to supply technology for local telecommunications and computer systems on the battlefield.

Racal is already involved in the Bowman project, a



Sir Ernest Harrison, chairman of Racal Electronics, and Denis Ranque, chairman of Thomson-CSF

£150m venture of which the LAS contract forms a part. Racal is one of the partners in Archer Communication Systems, the company set up to oversee the entire project.

Yesterday's announcement came as George Robertson,

secretary of state for defence, announced closer co-operation between the British and French armies. France, which left Nato's military command in 1966, has recently been renewing links with the alliance.

Each company will provide three directors to the six member board, but Thomson will ensure that at least one of its directors is a British national. That should ensure the company will not be barred from dealing with

the sensitive early design stages of projects.

The two companies have a market share of 40 per cent in the area to be covered by the joint venture, but hope to expand that to 50 per cent.

As well as selling products to international armies, the joint venture will seek to win the £150m project for the Theatre Wide Area Command Network for linking local area systems. The TWACN will represent the next stage of the Bowman project.

Thomson-CSF, 40 per cent owned by the French state, already employs 6,000 staff in the UK in a mixture of joint ventures and fully-owned companies.

Technology of the kind produced by the new company will allow individual tank crews and soldiers to have access to video, text and voice messages in real time, in the same way the internet provides multimedia images to users.

Racal's shares closed up 2p at 357.5p, while Thomson-CSF's shares closed down 1.5p at FF198.9.

Alchemy may bid for Allied Carpets

By Peggy Hollinger

Alchemy, the aggressive venture capital group, is considering a bid for Allied Carpets, the retail chain which has seen its shares drop sharply following profit warnings and the discovery of accounting irregularities.

Ray Nethercott, Allied's chief executive, and Julian Lee, chairman, are understood to be meeting next week with the 20-month old private equity group, which recently backed the buy-out of the decorating business, AG Stanley, from Boots.

Neither Alchemy nor Allied would comment on the discussions. Allied would only say it had been approached by a number of parties regarding a possible bid and all were at a very early stage.

The statement was forced by the stock exchange following a rise in the share price from 51p on Thursday to last night's close of 66p.

Alchemy, which specialises in difficult deals such as taking companies private, has recently investment funds of some £250m for international investors.

However, because of its structure – where investors commit on a rolling 12-month basis for on average about four years – its management has said its financial muscle is equivalent to a

£1bn vehicle. This is bigger than either Schroder Ventures or Apex.

It is understood that Alchemy approached Allied last week when the group's shares resumed trading after a six-week suspension over the accounting irregularities. Although an investigation revealed that the practice of booking carpet sales earlier than allowed under company policy had not been illegal, the shares tum-

bled almost 30 per cent the day they resumed trading.

"From a valuation standpoint the market is being completely emotional about Allied Carpets," said one analyst.

Analysts said estimating a bid price for Allied could be difficult in the current market. One said: "I could make a case for 50p a share and for £1 a share." This could value Allied at anything from £45m to just under £90m.

Ally, the shares of Allied Carpets, which resumed trading after a six-week suspension over the accounting irregularities, revealed that the practice of booking carpet sales earlier than allowed under company policy had not been illegal, the shares tum-

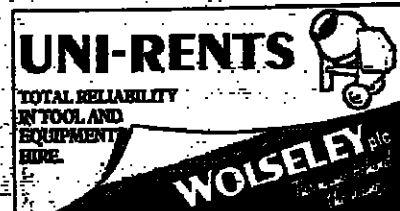
bled almost 30 per cent the day they resumed trading.

"From a valuation standpoint the market is being completely emotional about Allied Carpets," said one analyst.



COMPANIES **FT** MARKETS

Weekend September 19/September 20 1998



Cathay ready to join BA-American alliance

Hong Kong carrier's inclusion to strengthen partnership

By Michael Shapiro, Aerospace Correspondent

Cathay Pacific, the Hong Kong-based carrier, is expected to join British Airways and American Airlines in their planned worldwide alliance.

The inclusion of Cathay, likely to be announced on Monday, will strengthen BA and American in their battle against the six-airline Star Alliance, headed by United Airlines of the US and Lufthansa of Germany.

The BA-American partnership, yet to receive regulatory approval from the US and the UK, is also expected to include Qantas of Australia, Japan Airlines and Iberia, the Spanish carrier.

Airlines have been scrambling to form worldwide alliances because they say corporate travellers want to buy tickets to any destination from a single source. Carriers wanting to combine route networks to meet this demand usually cannot merge or make acquisitions because of restrictions on foreign ownership of airlines in most countries.

In addition to the Star Alliance, KLM of the Netherlands and Northwest Airlines of the US have a long-standing partnership and Delta Airlines of the US has a tie-up with Swissair, Austrian Airlines and Sabena of Belgium.

The planned strengthening of the BA-American alliance comes only days after six US carriers launched a fierce attack on the planned tie-up. In a letter to Rodney Slater, the US transportation secretary, the airlines said Washington's approach to the alliance would test the "integrity and credibility" of the US's competition policy.

The six airlines - Continental, Delta, Tower Air, TWA, United and US Airways - said the US government should reject BA and American demands for payments for take-off and landing slots they give up at London's Gatwick and Heathrow airports.

The European Commission said earlier this year that the BA-American partnership should be allowed to go ahead only if the airlines relinquish 287 weekly slots. Brussels says the sale of slots is illegal and that BA and American must give them up for free to rival services.

The US airlines said Mr Slater should "obtain absolute guarantees, in writing", from the UK government that a sufficient number of slots at competitive times, be made available to other airlines at Heathrow from the first day of the alliance.

The UK Office of Fair Trading said earlier this year that European Union law was ambiguous and that Peter Mandelson, trade and industry secretary, should over-ride Brussels and allow BA and American to receive money for the slots. Mr Mandelson and the US government are expected to announce their decisions later this year.

Chrysler's investors vote for Daimler merger

By Halg Shonolan in London and Graham Bowley in Stuttgart

Shareholders in Chrysler, the smallest of America's "Big Three" carmakers, yesterday gave overwhelming approval for their company's merger with Daimler-Benz of Germany, removing the biggest barrier to creating a new transatlantic force in the motor industry.

The merger will create a carmaker with production of four million vehicles a year. Apart from the Mercedes-Benz car and commercial vehicle brand, the group will include the Chrysler and Jeep sports utility marques. With 431,000 employees, DaimlerChrysler, which will also have activities in aerospace, services and rail systems, will have sales of DM260bn (\$145.8bn) and forecast profits of \$4.8bn.

Almost 98 per cent of shareholders backed the deal, announced in May, at a special two-hour meeting in Delaware. Daimler-Benz executives last night said they were confident more than 90 per cent of the German group's shareholders would approve the merger.

About 80 per cent of the shares are held by institutions, which have given strong backing. A meeting in Stuttgart, attended by about 16,000 Daimler-Benz shareholders, lasted well into the evening after hours of tortuous questioning of the board.

By contrast, about 200 shareholders turned up to the Delaware city centre hotel where Bob Eaton, Chrysler's chairman, said he expected the deal to be closed by the middle of November. Trading in the new DaimlerChrysler stock would start soon after shares in the two existing companies were exchanged.

Unveiling figures for the first eight months of this year, Daimler-Benz raised turnover by 20 per cent to DM50.9bn. Car sales rose to 578,000 units, while commercial vehicles climbed to 311,400.

General Motors of the US is the world's largest vehicle maker, not the second largest as erroneously reported in the FT on September 17.

THE LEX COLUMN

Crushed crustacean

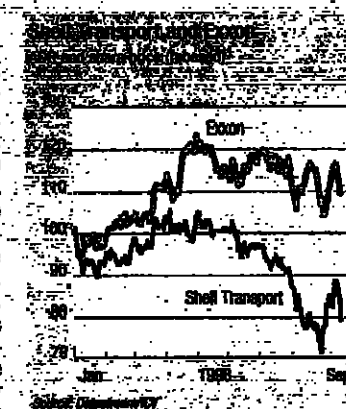
Profits warnings on consecutive days from Europe's bluest of blue chips - Royal Dutch/Shell and Alcatel - show the shocking turbulence of current markets. However, that even the giant crustacean expects to crack under the pressure of difficult trading conditions has a silver lining. The decision to close costly national head offices across Europe shows external crises can be useful catalysts for forcing through long overdue internal changes.

Blasting away the national baronies clinging limpet-like to Shell's collegiate and decentralised structure should allow significant, if currently unquantified, cost savings. It is a shame, though, that while Exxon used the 1996 oil price slump and BP its financial trouble in the early 1990s to restructure, Shell is only just getting going.

Indeed, with Shell's shares lagging Exxon's by around a third since the start of the year - reflecting its 12 per cent return on capital employed against its rival's 16 per cent - there is no time to be lost.

With BP Amoco joining oil's super-league, superior returns based on scale economies cannot be guaranteed for ever as the competitive landscape changes. For that reason, it is essential Shell does not relax its commitment to 15 per cent returns on capital employed by 2001. True, this will be difficult with the oil price expected to range from \$12-\$16 per barrel in the next 2-3 years compared with \$18 when these targets were set.

But if Shell is to emerge truly strengthened from its current troubles, this goal should be regarded as a bare minimum.



Like Sakura and Fuji, have sought capital infusions from their *keiretsu* partners. Others - and the larger city and regional banks are almost certainly too large to fail - will be forced to accept public funds and the attendant accountability.

While taxpayers will be unable to escape a large bailout tab, shareholders will also suffer. Some, as with LTCB, are likely to see their investment disappear completely. Many others will have to suffer capital reductions.

Hopefully, the LTCB example will galvanise other bank managements to embrace restructuring more proactively. If not, falling share prices will do the trick soon enough. One snag is that shrinking the bank sector will be unavoidably deflationary - hardly what Japan needs. But at least the government's involvement should reduce fears of systemic risk.

UK earnings

The return from summer holidays has been dismal for UK equity investors. Few sectors have been unaffected by emerging market crises, the high pound and slower UK growth. At the end of August, a conservative estimate of 1998 profits growth was 4 per cent. Now equity strategists are veering towards zero.

The news flow is wearing down any residual hopes for 1998. Royal Dutch/Shell yesterday joined a swelling list of warnings that includes Bass (pubs), RMC (building materials) and Next (shopping). The relatively diverse nature of companies succumbing to downgrades in profit forecasts is a feature of the latest phase in the gloom cycle. Early weakens - industrial companies hit by high interest rates - have been joined by banks, via their

emerging market exposure, and general insurers with rising underwriting losses. In share price terms, only classically defensive sectors - food, drugs and utilities - and indomitable growth stocks, such as IT, telecoms and life assurance, are up on a year ago.

For next year, forecasts that earnings growth will recover to about 5 per cent look optimistic. Growth in the UK economy is forecast to slow to little more than 1 per cent, with unemployment rising by up to 500,000. Yet there are some straws of comfort. The pound has fallen to DM2.84, interest rates may be down one percentage point by the spring and corporation tax will be cut. Rising unemployment and a slackening of wage rises should eventually lessen the pressure on profit margins. But, given the likely bad news flow, the market may well get worse before it gets better.

Securicor

The most incongruous of next Monday's new batch of FTSE 100 entrants is Securicor. The company's performance in its managed services businesses is second-rate compared with a high-flyer like Hays. The same goes for Cellnet, the mobile communications group of which it owns 40 per cent - but does not manage. Since it was established, Cellnet has suffered a string of lacklustre chief executives. As a result, it has been beaten at every turn by rival Vodafone. Nevertheless, such is investors' love affair with mobile stocks that even a minority stake in an also-ran has qualified Securicor for FTSE 100 membership.

As ever, the case for investing in Securicor is hope that Cellnet will finally get its act together and/or that British Telecommunications, which owns the remaining 60 per cent, will buy out the minority. The potential upside is considerable. Backing out the value of Securicor's managed business, the current £2.3bn market capitalisation is implicitly valuing Cellnet at £5.5bn-£6bn. True, it can no longer aspire to catch up Vodafone, whose UK business is worth about £12bn-£13bn. But the £3.2bn enterprise value of Orange, which started roughly a decade after Cellnet, is an achievable target. With FT finally paying attention to its stake and the latest new chief executive installed, there seems a fair chance that it will pull its socks up. Securicor's shares are worth a punt.

French regulator to probe collapse in Alcatel shares

By David Owen in Paris and William Lewis in New York

The Commission des Opérations de Bourse, the French stock market watchdog, yesterday launched an inquiry into this week's collapse of shares in Alcatel, the telecommunications equipment group.

Meanwhile, Serge Tchuruk, chairman of the group, which is battling to restore investor confidence shattered by an unexpected profit warning, announced a decision to recommend a "significant" share buy-back programme to the company's board in an effort to shore up the shares.

But the proposal - which he did not detail - had only a limited effect on the market, with the shares sliding a further 5.75 per cent, to 2.8 per cent, after a 38 per cent fall on Thursday.

Traders focused on worries about a potential lawsuit by

former shareholders of DSC Communications, the US telecommunications equipment company acquired by Alcatel this year in a stock-for-stock transaction that originally valued DSC at more than \$4bn.

Any lawsuit would allege Alcatel knew about the revised profit forecast when the deal was finalised on September 7.

Mr Tchuruk denied this, telling fund managers in London yesterday that Alcatel's management council only learnt of the downturn on September 8. "That was the first inkling that something unexpected was happening," he said. "This is perhaps a late realisation but that is how it came out."

Wall Street analysts, highly critical of the French company's management, said they expected US shareholders to begin legal proceedings against it in spite of Mr Tchuruk's comments.

Mr Tchuruk said he was disappointed at the reaction to

Thursday's announcement, but stressed he remained confident in "the strategic plan we have been successfully implementing for three years".

Richard Kramer, an analyst with Goldman Sachs in London, said investor confidence in management - "previously a hallmark of the stock" - had been "virtually shattered", adding he was "hopeful" that the sharp stock reaction would lead to more... open communications from the company, with what will surely be a more sceptical investor base.

Alcatel said on Thursday its performance had been hit by an abrupt investment slowdown at some traditional telecom operators and the deepening crisis in Russia and Asia. As a result, operating income from telecommunications "should increase from 1997 but not at the level expected by the market".

See Lex

Historic decision, Page 23

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Markets Latest

FTSE 100	5,955.9	(-77.3)
FTSE 250	5,27	
FTSE 40	1,021.27	(-10.73)
FTSE 100	294.48	(-12.26)
FTSE 100	1,393.12	(-12.26)
New York: S&P 500	789.32	(-10.58)
New York: Dow Jones	10,153.30	(-231)
IN LONDON MONEY		
3-m Interbank	7.75	(77.5)
1-m Bank bill (6m)	114.81	(115.36)
IN US LUNCHTIME RATES		
3-m T-bill	5.4375	
1-m T-bill	4.875	
Long Term	7.55	
Yield	5.575	
IN NORTH SEA OIL (Aug)		
Brent Blend	\$13.97	(13.44)
IN GOLD		
New York Comex	339.2	(20.8)
London	339.2	(20.8)

Weather

Europe today

High pressure will bring a fine day to central and north-western Europe. Further east, rain will stretch southwards from western Russia towards south-eastern Europe. Greece and the eastern Balkans can expect thunderstorms as cooler air advances from the north-west. Any thundery showers across the Costa del Sol will clear during the morning.

Five-day forecast

Greece and the Balkans will remain unsettled with cool north-easterly winds bringing showers or thunderstorms, spreading west towards southern Italy by Monday. Further thundery disturbances will develop off the north African coast, threatening western Mediterranean resorts. Central, northern and western Europe will stay warm and sunny.



TODAY'S TEMPERATURES

Madrid	37	Barcelona	25
Paris	20	London	18
Amsterdam	18	Brussels	18
Frankfurt	18	Berlin	18
Stockholm	18	Helsinki	18
Oslo	18	Copenhagen	18
Warsaw	18	Prague	18
Vienna	18	Budapest	18
Sofia	18	Belgrade	18
Thessalonika	18	Atina	18
Thessalonika	18	Atina	18
Thessalonika	18	Atina	18

FORECAST FOR TOMORROW

Madrid	37	Barcelona	25
Paris	20	London	18
Amsterdam	18	Brussels	18
Frankfurt	18	Berlin	18
Stockholm	18	Helsinki	18
Oslo	18	Copenhagen	18
Warsaw	18	Prague	18
Vienna	18	Budapest	18
Sofia	18	Belgrade	18
Thessalonika	18	Atina	18
Thessalonika	18	Atina	18
Thessalonika	18	Atina	18

FORECAST FOR MONDAY

Madrid	37	Barcelona	25
Paris	20	London	18
Amsterdam	18	Brussels	18
Frankfurt	18	Berlin	18
Stockholm	18	Helsinki	18
Oslo	18	Copenhagen	18
Warsaw	18	Prague	18
Vienna	18	Budapest	18
Sofia	18	Belgrade	18
Thessalonika	18	Atina	18
Thessalonika	18	Atina	18
Thessalonika	18	Atina	18

FORECAST FOR TUESDAY

Madrid	37	Barcelona	25
Paris	20	London	18
Amsterdam	18	Brussels	18
Frankfurt	18	Berlin	18
Stockholm	18	Helsinki	18
Oslo	18	Copenhagen	18
Warsaw	18	Prague	18
Vienna	18	Budapest	18
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Thessalonika	18	Atina	18
Thessalonika	18	Atina	18



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WEEKEND

SEPTEMBER 19 / SEPTEMBER 20 1998



Irony? Moi?
'Norman Mailer's response to the suggestion that he was violent was to headbutt the smarmy faggot'



Polish paradise
'Everything - from fungi to lynx to bison - that requires a forest habitat is to be found in this fairy tale wildwood'



New York falls
'As far as Saks Fifth Avenue is concerned, everything British has a certain pizzazz... a nowness and coolness'

Page V Page XVI Page XI

The British - from Chaucer to Tony Blair - have always loved Tuscany. And the style is still there, but without the snobbery, says John Lloyd

We British know how short is summer's lease, without our national dramatist reminding us. We are mostly back now, the tan flaking, drinking the duty-free wine at weekends.

For a large number of British, and especially the south-eastern middle class, summer was partly leased out to Tuscany. The prime minister set the tone for the second year of his rule. In August he stayed in the villa of the Guicciardini-Strozzi, a Florentine noble family whose roots are medieval and whose pride is large enough to volunteer their country house - which they moved out of to make way for the Blairs - as a British premier's residence.

As he returns, one of the national diversions, the Duchess of York, better known as Fergie, is linked with Count Gaddo della Gherardesca (whose roots are medieval, pride and wealth etc), his estranged wife having said, charmingly, that she would be as happy to leave his life to make way for Fergie as were the Guicciardini-Strozzi for the Blairs.



The grand affair

If a marriage takes place, Fergie will see more of her former brother-in-law, for Prince Charles esteems Florence as his favourite city, and goes there sometimes to stay with the Frescobaldi, whose matriarch, Bona de Frescobaldi, still dominates Florentine society.

How could the British ruling classes - by birth, marriage or election - fail to love such a people? Yet this is only the contemporary attenuation of a terribly long story: the British infatuation with Tuscany.

It has been shared by the literary world and the bourgeoisie, who have backbitten and maligned each other in Florence's pensions and alleys for centuries. It has created a state of mind, a romantic passion transmitted down the generations and still alive. It is a compound of admiration, contempt, languor, yearning, appreciation of Tuscan cuisine and Chianti.

It is also sexuality, the erotic displayed in the statues in the piazzas, parks and galleries for centuries. D.H. Lawrence wrote *Lady Chatterley's Lover* just outside Florence and set Aaron's *Red* largely in the city.

Aldous Huxley, who met Lawrence there, said of it at a low moment in his stay in 1926 that it was "a third-rate provincial town, colonised by English sodomites and middle-aged lesbians". He set his *Time Must Have a Stop* also largely in Florence, though, as the critic and Tuscanophile Francis King observed: "Like so many expatriate novels set there, it contains virtually no Italian characters who are not aristocrats or menials."

King's remark betrays how the British used to apprehend Tuscany, looking for their equals or betters in its once brilliant and still extraordinary nobility (the Club of the Nobility still

maintains itself, in heavy, exclusive splendour, in the centre of Florence), while employing its "menial" classes to carry, clean and chauffeur.

The American writer James Fenimore Cooper, who did his own grand tour in the 1820s, called on the Grand Duke and was gratified that "his sympathies were on the right side of the great question" (of the American revolt against the British). If so, the Duke was an exception to the anglophilia which was, and is, the common posture in Tuscany, especially in the mutual admiration of the Tuscan and British aristocracy, who contemplate each other's wealth, grandeur and traditions with common satisfaction.

The Grand Tour is very old: in a book just published, *The Evolution of the Grand Tour*, Edward Chaney unfolds a narrative of a tradition which had its beginnings in the travels of Geoffrey Chaucer, who discovered Dante and Boccaccio in Florence, and which comes down, in the 20th century, to E.M. Forster, D.H. Lawrence, Aldous Huxley and Dylan Thomas - whose family had to be kept from starvation by handouts from the British consul in the 1850s.

That consul's daughter, Jennifer Manco, lives there still and teaches at the university. She remembers the chaotic, indigent Thomases as being at once vivid and rather shameful to the British community - though this was a community which "had been terribly insular and self-regarding in the 19th century; the Victorian families who came here insisted on English evening tea - clothes, books, tea and customs. Between the wars, many of the English were pro-Fascist, supporting

Mussolini because they thought he would do the country good, get it out of its idleness."

This period is being evoked in a film, *Tra with Mussolini*, now being made by Franco Zeffirelli, with Vanessa Redgrave, Maggie Smith and Judi Dench playing a trio of battleaxe who were pillars of Anglo-Florentine society.

In the 19th century, Florence attracted Hazlitt, Shelley, Byron, Dickens, the Brownings, George Eliot, Trollope, Ruskin, Arnold, as well as Dumas, Stendhal, Cooper, Longfellow and Dostoyevsky (who, having everything that was not Russian, insulted a waiter, who told him, stoutly, "I'm a human being too"). Most of them wrote about it, the Brownings most of all, but nearly everyone had to give some sort of evocation of the sheer awe of the place, functioning as a city while grander urban sprawls of the 19th and 20th century were mere settlements of huts. Longfellow's *Old Bridge of Florence* hits the point: "Taddeo Gaddi built me. I am old. Five centuries old. And when I think that Michelangelo Hath leaned on me, I glory in myself."

The Grand Tour, whose apogee was in the 18th and 19th centuries, was a travel of education. It was, as John Mortimer (who has a villa in Tuscany) writes, a "sort of 18th-century finishing school for young aristocrats trundling around Europe with their tutors and valets" and, often, their furniture and salted beef and preserves.

It became, as the haughty English manners of the 18th century gave way to a more anxious and egalitarian propriety in the 19th, a kind of elevated tutorial, ladies with

their Badeskers "doing" the Duomo, the Palazzo Vecchio and the Palazzo Pitti, the churches and the museums, checking in to the reading rooms of the British consulate and catching up on the news, which meant the British news.

Today, it is easy to see that the great line of Anglo-Florentine society - when the English were so numerous that any foreigner was called "Inglese" - is past. The battleaxes of whatever sex are gone; the literary lions roar elsewhere.

The great arbiter of cultural life in Florence, the

Englishman Harold (Lord) Acton, died recently. His magnificent estate has now been taken over by New York University which - Florentines love to relate - was shocked by a hugely politically incorrect statue of a naked "blackamoor", or black slave boy, and banished it from the villa.

But merely to regret the passing of the Tuscan-British relationship is to do it a disservice. It lives; in some ways it is in ruder health than ever. It was Mortimer who coined the phrase "Chiantishire" to describe the invasion of that wine-growing region by the Brits. Like all good phrases, it describes - but it has a real-

ity, one which Bernardo Bertolucci sought to capture in his 1996 film *Le Ballo da Sole* (*Stealing Beauty*) set in the house of an English couple who have a series of friends to stay for the summer.

The models were Matthew Spender and Mora Gorky, who have passed most of their married life in a Chianti farmhouse which they have made into a home and studio of great beauty, surrounded by his sculptures and her paintings. "Bertolucci [a friend] wanted to say something about foreigners here; I don't know how far he succeeded," says Spender. "I was quite upset; it showed us as so messy!" says Gorky. "We do a great deal of work, you know."

Spender and Gorky have raised their daughters here, the family is bilingual, Spender plays in a local band and Gorky says that "the local people take to me more than Matthew because I conform more to the ideal of an Italian wife - I cook, I keep the house."

For Spender: "Italy is actually quite hard to know; it is a country held together by appearances. The *bella figura* is so important."

Across a few valleys, their friends Justin and Nicky Harris are also raising a family - though they arrived only in the 1980s. "Lots of 'foreigners' who are here now are actually Italians from Milan or the Veneto," says Justin, pointing to a farmhouse on a neighbouring hill which is occupied by that kind of "foreigner".

"People moved here from wherever because of the beauty, and because the *mezzadria* (sharecropping) system was dying out and you could buy a farmhouse very cheaply in the 1950s and even later."

The system of *mezzadria* (from *mezzo*, or half) was a

system whereby the tenant took half of the land's produce and gave half to the owner. The squeezing out of these tenant farmers from their often comfortable farms benefited not just the foreigners (or "foreigners") but also the great wine growers of Chianti. These are led by the Frescobaldi and the Antinori, old families which have survived and prospered by doing what the Strozzi's summer guest constantly recommends - modernising.

This week, for example, the Marchese de Frescobaldi issued an innovative, interest-bearing bond which allows holders to buy wine at wholesale prices and is expected to raise £200m (£2.8m) to allow the Frescobaldi family to raise production in the thousands of acres it owns between Florence and Siena. The Antinori, hot competitors in everything, promptly did the same.

But the exit of the small man has not just made the rich richer; it allows other small men to enter. Tony Rocca, a British journalist, came to Chianti in the 1980s with his wife because they were searching for a way of making a living together; they settled on an old *mezzadria* farm, and have transformed it, with very great labour and much frustration, into a mixture of a vineyard and a B&B operation.

"We took a long time working out how to do business here; we nearly went bust, and we didn't get much help at first. The rules are quite Byzantine. But it's coming through at last."

"Tuscany is a special kind of tourism. You don't have beaches, or big hotels, or much nightlife. It's not for the gold chain brigade. The people who come here are well educated, they want a break which has a lot of vis-

iting museums and churches, of good food and wines."

Thus the tradition continues. At the end of the 20th century, there seems room for efficient aristocrats and pushy foreigners. Florence was more known, worldwide, for the Gucci and Ferragamo families - who were artisans at the century's beginning, but who worked hard and grew. Rocca is the kind of

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Joe Rogaly
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Country conversion
'Some things go with the territory: marry farmer, convert stable, and then buy the Aga'
In Weekend FT

House, Tuscan Style, 1900s, 1200sqm, 1000sqm, 1000sqm

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PERSPECTIVES

The Nature of Things

Right shape is not just stir and shake

Andrew Derrington explains the lessons and tricks chemistry is learning from biology

Imagine that you had to do a jigsaw puzzle blindfolded and wearing boxing gloves. You could put the pieces in a bucket and shake them up in the hope that they would fall down in the correct pattern. It would never work if the jigsaw had more than about three pieces.

This is like the problem a chemist faces in assembling atoms of different elements to produce new molecules or linking simple molecules to produce more complex ones. The nature and the chemical properties of a molecule depend not just on the numbers of the different atoms that make it up but on the exact shape that they form. All this means that there is a lot more to chemistry than simply stirring the right ingredients together and waiting to see what comes out of the test-tube.

For some time chemists have used tricks from biological reactions. These tricks are now being developed to new heights of sophistication in ways that owe nothing to biology. Chemists are also preparing to enter a new era where they use

lasers to control chemical reactions by manipulating individual chemical bonds.

Biology has lots of tricks for the chemist to copy. Biological organisms, from people to bacteria, are sophisticated bags of chemical reactions. Controlling these reactions to produce the right product in the right place at the right time is literally a matter of life or death.

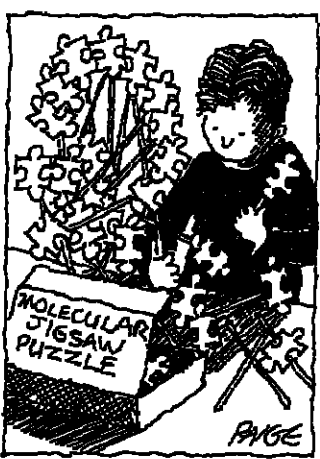
The control must be very sophisticated. Reactions may need to be reversible; for example, energy must be stored, by linking glucose molecules, and then released, by splitting them. Reactions that generate energy must be harnessed to drive others that use up energy.

Shape is the key to biological chemistry. Biological actions of

large molecules - most of them proteins - can often be appreciated by thinking of them as machine tools in miniature.

The chemical machine tools that control reactions are known as enzymes. They hold out little chemical attachment points - known as binding sites - that catch small molecules.

The precise shape of the binding site determines which small molecules will attach to it, and which way round they will attach. By arranging binding sites close to each other, small molecules can be held so that they join themselves together. Just as a joiner might use a jig to hold two pieces of wood to be glued together. Enzymes with slightly different arrangements of binding sites split small molecules from larger ones. Proteins have their complex



Shapes because they are made from long sequences of about 20 different types of puzzle piece called amino acids. Shape is important in simpler molecules, too.

Glucose is a ring-alcohol. Biological organisms are now being manipulated to do more useful chemistry. Bacteria can be given the genes that allow them to manufacture useful drugs. In the near future, sheep may be given genes to produce human hormones that can be harvested from their milk.

Chemists are also exploiting molecular shapes in the synthesis of plastics. Polyethylene and polypropylene are polymers. They consist of huge chains of identical molecules (monomers), ethylene and propylene.

The properties of the finished plastic depend on the lengths of the chains, the number of branches in a polyethylene chain and whether the propylene molecules in a polypropylene chain all face the same direction.

The reactions that produce polyethylene and polypropylene are controlled by catalysts, mixtures of solid and liquid compounds containing metal atoms that split one of the chemical bonds in the monomer and attach it to the growing polymer chain. In the last few years a new generation of catalysts, called metallocenes, has been developed in which the metal atom is sandwiched between two small rings of carbon atoms.

By attaching different chemical groups to the carbon ring on a metallocene catalyst, the shape of the active part can be manipulated systematically. This makes it possible to develop catalysts that produce designer plastics with specific properties such as flexibility, resistance to

tearing and radiation resistance. In all these chemical reactions, the reaction itself is driven by energy. Chemical bonds form because atoms have less energy when they are bound together. Bonds break when energy is put into a molecule to drive it into a higher energy state.

Normally the bond with the least energy will break first. Enzymes and catalysts influence reactions by manipulating which bonds are easiest to form and to break. The latest technique exploits the fact that chemical bonds are tuned so that they absorb energy at particular frequencies.

A laser can be tuned to deliver energy at the frequency of a bond that would not normally break. This drives reactions in a direction that would normally be impossible.

This flash of inspiration has only been used for simple manipulations. But chemists are hopeful that it will soon allow them to do chemical jigsaw puzzles with their boxing gloves off.

The author is professor of psychology at the University of Nottingham

Minding Your Own Business

Practice makes perfect harmony

Combining home and work has struck a high note for a musical couple. Nicholas Lander reports

Every weekday at 7.30am David Howells walks down from his flat above the Belsize Music Rooms and opens the doors to a barister who likes to practise the viola before an appearance in court.

He pays £8 for an hour's rent of a small rehearsal room and plays happily away on his own.

Howells, who trained as a classical pianist in England and Germany and performed for 15 years as a solo pianist, could accompany him. But his talents are concentrated in a different area nowadays.

Like so many pedagogues, he was not handsomely rewarded financially. His teaching and performing - including explaining classical music to audiences of up to 400 young children - brought in approximately £20,000 a year, although the family income was supplemented by his wife, Clare, a freelance secretary.

Two years ago, the Howells decided that after more than a decade of living with two grand pianos in a small sitting room, as well as a procession of young pupils trooping through their north London basement flat every afternoon, it was time to put his piano teaching on a proper business footing and, during a bicycle ride, Clare spotted a building which proved the

solution to their problem. "It is a 19th century town house which belonged to a firm of music publishers," she explains, "and it was full of shelving. But it was easy to visualise three good rooms for musicians or music teachers on the ground floor with a flat for us upstairs."

"And, perhaps most important from a sound point of view, the walls and ceilings are very, very thick. The following day we had architects, builders and solicitors round."

Although the landlords were co-operative and agreed to a 15-year lease with an option to purchase at a fixed price at five-year intervals, planning permission, which involved a change of use from warehouse to educational, took four months to obtain.

The financing was even more protracted. National Westminster Bank initially agreed an overdraft limit of £40,000 secured on their flat but this limit had to rise to £70,000 as the building inspector imposed higher specifications than expected for fire and safety reasons.

The Howells moved out of their flat, putting the £350 a week rent it generated towards the business rent of £500, and lived above the building site for four months. The heating went on on December 23, the day the oven broke down, but

the Howells' children were able to help finish the decorating before they went back to school. On January 6 1997 Belsize Music Rooms opened for business.

On top of the £70,000 conversion, £50,000 was spent on equipment, including Steinway, Bösendorfer and Ibach pianos, as well as proper music stools and chairs, made by a specialist in Oxfordshire, which Howells believes are essential. "If these are not up to standard," he says, "it takes the joy out of playing."

There was, however, little joy in the Howells household for the first few weeks after opening. "We had been telling everyone we knew for months what we were doing," Howells continues, "and when we opened the doors we just expected locals to flood in. It was the biggest mistake we made and in the

first week our takings were just £8."

The Howells advertised in Classical Music Magazine. "Via the British Music Yearbook and the word processor we wrote to 1,200 musicians, 110 concert agents - who schedule concerts, book artists and look after their well-being - and more than 200 music associations, ensembles, orchestras, choirs and opera groups explaining what we had to offer," Clare explains.

"We quickly learnt that we had to be very specific about whom we targeted, to enclose a map to show exactly where we are. We followed everybody up but dropped those who were not particularly interested. Otherwise we would have wasted a lot of time and money."

By early February last year, 20 concert agents had

visited and gone away impressed. "They liked the fact that the rooms are clean, light and airy but crucially that I am a fellow musician who understands what their performers want. By the end of the second

month we were taking £400 a week. We were lucky with our timing, too. "What we had not appreciated was that financial pressures are forcing all the major performance halls to cut down on the rehearsal

time they allow musicians so our rooms have immediately become very attractive not for teaching amateurs as we had initially envisaged but for professionals practising. I think we have now become London's leading audition rooms."

Word spread quickly around the professional music circuit. "We have had an extraordinarily varied clientele," Howells says with some pride. "Members of the European Union Youth Orchestra flew in from Finland and practised here for three days. The London Philharmonia, Opera North and the Welsh National Opera regularly audition here and music exams have been held here, too."

"And we can be flexible. A famous Russian pianist recently arrived at Heathrow at 5pm for a concert the following day and practised

here from 7pm-11pm. He could not have done that anywhere else. We have also established a website with links to music sites in the US which has brought in several American musicians."

By the end of the first year the rooms were generating a weekly income as high as £1,300 but this could fall to under £300 the next week. A surge in house prices, however, allowed the Howells to sell their flat for £270,000 (18 months it failed to sell at £170,000) and this allowed them to exercise the option to buy the freehold of the Music Rooms at the agreed fixed price of £330,000 with another NatWest loan.

Income, which has doubled over the past year, now goes to pay off the interest on this loan but the Howells hope that by early next year the business will be able to

pay them a salary, particularly now they are open seven days a week.

"That the business is established is obviously of great satisfaction and the rehearsal and audition side has enriched my teaching and brought in more pupils," Howells concludes.

"There are unexpected business spin-offs, too. We made a trade agreement with Henley Piano Galleries to display a range of high-quality upright pianos here which people can come in and play before they decide to buy. In the past year we have sold over £50,000 worth of pianos on which of course we earn a commission. We could never have done that from the flat."

Belsize Music Rooms, 67 Belsize Lane, London NW3 5AX, tel: 0171-916 0111, fax 0171-916 0222, <http://belsize-music-rooms.co.uk>



Clare and David Howells, as well as being used for teaching young pupils, whole orchestras now practise in their Belsize Music Rooms

David Allred

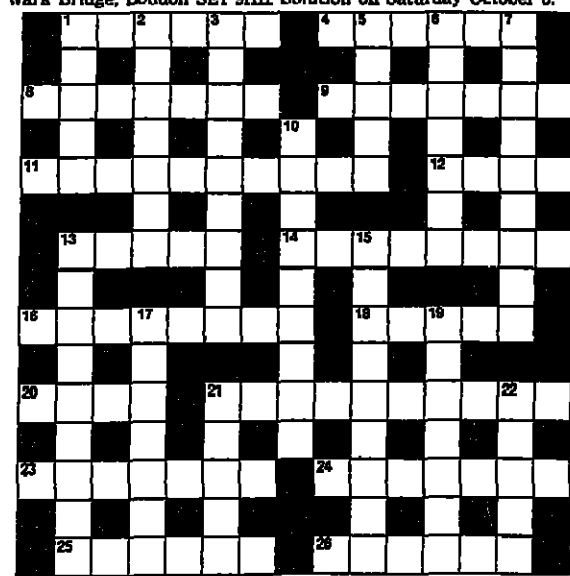
Proper music stools and chairs are essential and must be up to standard

month we were taking £400 a week. We were lucky with our timing, too. "What we had not appreciated was that financial pressures are forcing all the major performance halls to cut down on the rehearsal

CROSSWORD

No. 9791 Set by DINMUTZ

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Extra Kid Flash Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday September 30, marked Crossword 9791 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8HL. Solution on Saturday October 3.



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BRIDGE

The world championships have finished with the relatively unknown Polish pairing of Michael Kwiecien and Jacek Pszczola lifting the Open Pairs Trophy and Shawn Quinn and Jill Meyers of the US winning the Ladies Pairs. The most remarkable result, however, was in the Seniors Pairs, where Boris Schapiro and Irving Gordon of Great Britain were triumphant. At 88, Schapiro is the oldest world bridge champion and, possibly, the oldest sporting world champion ever.

N
♠ 104
♥ J8753
♦ AKJ632
♣ W
♠ J1097
♥ 5
♦ AKQ102
♣ 105
E
♠ A8542
♥ K32
♦ 964
♣ 87
S
♠ K63
♥ AQJ9876
♦ -
♣ Q94

Dealer: S N/S Game
North East South West
2C - 1H 1S
2C 2S 6H
Fred Hamilton and Arnie Fisher of the US enjoyed what appears to be a ludi-

crous auction - unless their bidding contained secrets closed to us mere reporters. Nonetheless, 6H was the standard contract and a top diamond the usual lead.

The problem is how to draw trumps - possibly losing to KV - without subsequently yielding a spade trick. Having trumped the initial diamond, the temptation is to ruff a spade immediately. When you then try the heart finesse it succeeds, but when you cash AV, KV does not fall, and now you must lose a trump and AA. Hamilton found the winning chance: at trick two he played a small trump to 10W, and East won with his KV. Now, whatever East played, declarer was in control, because he still had a trump in dummy to ruff a spade.

One commentator suggested that if East were to duck 10W smoothly, declarer would not know who held KV. This is an incredibly tough defence to find and, anyway, declarer may reason that, on the auction, West would not have played small from VKs. So, if the actual layout was the only reasonable one, he could finesse KV on the next round and record an overtrick.

Paul Mendelson

CHESS

Garry Kasparov scored a 4-2 win over Jan Timman in Prague in a contest completed last Sunday, yet victory in the EuroTel Trophy was small consolation for the collapse of Kasparov's plans to defend his world championship title against Alexei Shirov in Spain. The sponsoring Andalusian government withdrew due to political changes.

Kasparov will be absent from next week's controversial chess Olympiad in Kalmykia and from November's £1.6m Fide knockout world championship being staged in Las Vegas.

The Russian remains clear No 1 in the international rankings, but his credibility is suffering badly because of the absence of a title match since 1995.

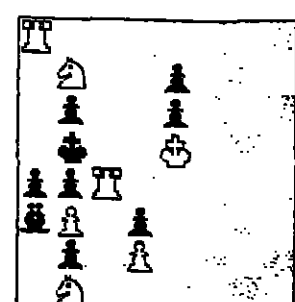
Meanwhile, the charming annual women's veterans match has re-emerged at Roquebrune, France. It is always called after a dance of the host country, so this year's version, which features great names like Spassky, Korchnoi and Smyslov, is the cancan.

After seven years' play and 366 games, the veterans lead overall by just one point.

Here the best-known Chinese player meets the Rus-

sian who lost 0-6 to Bobby Fischer (Xie Jun v M Taimanov).

1 e4 c5 2 Nf3 e6 3 d4 cxd4 4 Nxd4 Nc6 5 Nc3 Qc7 6 Be2 a6 7 0-0 Nf6 8 Kh1 Bb4 9 Nxc6 Qxc6 10 Bf3 Qc7 11 Bg5 b6 12 Bxf6 gxf6 13 Qd3 Qd6 14 Qe2 Qe5 15 Bb5 Bxc3 16 bxc3 Qxc3 17 Rad1 Ke7 18 f4 b5 19 e5 f5 20 Qf2 Rf6 21 Rd3 Qe7 22 Rd1 Qa7 23 Qb4+ Kc8 24 Rg3 Qe5 25 Rd6 Qxe2 26 h3 Bc7 27 Kd2 Qc4 28 Bc7+ Rxd7 29 Rg8+ Rf6 30 Rxf8+ Resigns. If Kd3 31 Rxd7 leaves Black without defence to a queen check.



No 1249
White mates in three moves, against any defence (by F Giegold). White is two rooks and a knight up, and Black has only one legal move, but where's the mate?

Solution, Back Page

Leonard Barden

PERSPECTIVES



Joe Rogaly

Labour's Sun King casts a long shadow

If proposed constitutional reforms are enacted they would only entrench the administration's powers

Britain's government is an elective dictatorship in sheep's clothing. We have known this for a long while, but new Labour was expected to put an end to authoritarianism, to spread power around. It has, and it hasn't. There have been some reforms, but the centre is stronger, potentially more corrupt, than ever.

One year and a bit after the Tories were thrown out we face control by a small clique at the heart of the administration. The day may dawn when we find that this politburo has put itself in a position in which it could become self-perpetuating.

If it were not for the fact that the Ministry is composed of such nice, self-effacing politicians, we would describe this as a slow-motion coup d'état. For the

crown in parliament, the phrase that traditionally describes our unwritten constitution, we might substitute new Labour for ever.

I know that this cry of alarm is out of tune with the well deserved hosannas for careful governance being sung to our humble masters, but look at what is happening.

First, we acknowledge what they have done right. Tony Blair is a skilled seller of democratic reform. The prime minister has shown by his actions that he means what he says when he promises to devolve power.

Monetary management has been sub-contracted to the Bank of England. Mr Blair has worked hard to establish regional assemblies in the Celtic lands and London. Scotland's "parliament" may become truly independent

of Westminster if the Scots are prepared to pay for the privilege. For the rest of us there is no such choice on offer. When all the presently contemplated changes to the constitution are in place, the office of chief executive in No 10 Downing Street might as well be called the Louis XIV suite. With an overwhelming majority in the Commons, rigorous party discipline, and a demonstrated willingness to use his considerable authority, Mr Blair's word is law.

Two potential "reforms", both under discussion during the summer, would give him added strength. First, the removal of the hereditary peers from the House of Lords would neutralise the upper chamber. The remaining appointees would be expected to do as they were told. The

only solution is a democratically elected senate. We await the day. Second, we have been promised a referendum on a new voting system. I have long supported electoral reform, with the purpose of enhancing parliament's ability to call the government to account. What we may be offered is a system designed to favour Labour in alliance with the Liberal Democrats. That would make it extremely difficult to throw the rascals out.

We may not even be able to discover which of them is the most rascally. For the watering-down of the proposed Freedom of Information Act will make it harder to hold the government to account.

All my writing life I have advocated constitutional reform, including most of the elements

described above. What, you may ask, has gone wrong? The process has not been thought through. Mr Blair is well known for regarding "what works" as the optimum solution to every problem. It would be better to start with first principles.

Real modernisation of the British constitution would begin with a declaration that power springs from the citizens, not the crown. Everything the administration does is in the Queen's name. The British monarchy is the glove puppet of the government. It keeps the government's hands clean. It is the formal excuse for official secrecy, ministerial fiat, rule by collusive civil servants.

This was appreciated by classic observers of our ancient polity. Bagehot knew the monarchy

to be a camouflage. Dicey foresaw the development of delegated legislation, although even he might have been amazed at the extent of the disregard of parliament today.

Under the umbrella of royal prerogative, ministers may conclude treaties, make appointments of whomsoever they please, create peers, award honours, fill in the details of our law, all without prior approval from our elected representatives.

Consider the alternative. "We the people", which works excellently in the US, has a nice new Labour ring to it. "Her Majesty's subjects" sounds anachronistic. This is now widely understood. It is inherent in the argument put forward in a pamphlet, *Modernising the monarchy*, published a week ago by Demos, a

think-tank linked to new Labour. We are not particularly perturbed about the tribulations of the royal family. What concerns us is the way our elected government behaves. In the 1970s those of us who sought to curb the executive came out as republicans. Today the symbolic value of the monarchy is recognised, even though Prince Charles is having a hard time establishing his birthright as the next king.

The royals should, however, be disconnected from the executive, as in Europe's little northern monarchies. Ministerial powers should be defined, subjected to a strong parliament. Then we subjects might become true citizens, like our American cousins. Alas, for all his friendship with the White House, Mr Blair does not see it that way.

Matt Roberts, 24, is one of the high priests of personal training. Lucy Kellaway talks to an enthusiastic early riser in a very great hurry

The second thing I noticed about Matt Roberts was his body. Wearing a tight black T-shirt cut to reveal bulging arm muscles, he had the firm, symmetrical look of an Action Man doll.

The first thing that struck me about Britain's most expensive personal trainer was the funny way he was standing. His legs were wide apart. Was he doing a secret thigh stretch, or was he braced ready for action?

He was waiting for me in the foyer of his swanky new gym at One Aldwych, London's happening hotel. The reception desk was a sheet of blue neon; behind it sat a glossy blonde in a black suit. He stood to one side, the perfect accessory.

Matt Roberts is a high priest of fitness. At the age of 24 he owns two gyms and has 21 personal trainers working for him. He trains the stars as well as the City's fat cats, and is on his way to becoming very rich indeed.

He gave me an even white smile and led me into a room full of mirrors and large black machines.

"We've got everything in here to work the body out! Hamstrings! Curls! Quads! Buttocks! Stretching!" He spoke quickly as if time were short. "These upper body machines are state-of-the-art! They are three-dimensional! Sensational! Terrific!"

I looked at the machines and could not help noticing something odd about them. There was no one using them. In fact there was no one in the gym at all.

"It's a bit quiet," I said.

"We opened two weeks ago, but it's filling up very quickly," he insisted. He gestured for me to sit down on a tiny black leather plank. What is this exactly, I asked. "Just a bench for free weights work," he replied as if it were perfectly obvious.

According to his publicity material, Roberts has rebuilt the bodies of actresses including Faye Dunaway and Sandra Bullock. But when I mentioned these names he stiffened. "I don't confirm or deny speculation about who we do. We protect the identities of everyone."

So we talked money instead. Each session at his gym costs £50, and clients are supposed to have three sessions a week. The clever bit - from a money spinning point of view - is that there is no end in sight: to get the perfect body you have to go on forever. That means spending £150 a week, or £7,500 a year in perpetuity.



Matt Roberts in his new gym in Aldwych, London: 'Clients need help to get perspective to their lives. They have a lifestyle that is too busy for their bodies'

Anthony Ashmore

Working out with the FT

The man to curl your quads

That's a lot of money. He shrugged. "You might spend £50 on an evening meal or £20 on a bottle of wine."

Speak for yourself, I thought, but instead I asked what clients got in return.

For a start, there is the full fitness analysis. "Body Fats, VO2 score, local muscle endurance..." he rattled off a list of things, most of which I had never heard of. Step two is the design of the programme. It is very personal, very individual, very tailor-made, he insisted. First the nutritionists get to work drawing up your very own eating plan. This may be so complex that you are likely to need three, four or even five in-depth sessions in the first month. Then there are the 100 per cent individual trainer-assisted workouts, not to mention the massage therapies.

He glanced at the pink news-

paper sticking out of my bag, and said: "You know, it is just like running a company. You set targets for one month, three months, six months, it's just like giving profit expectations."

I see, I said doubtfully.

What he is offering is not just help with the hamstrings, pecs, quads, buttocks et al, but with your life at work and at home, too. "Most clients realise they need to address certain issues. They need help to get perspective to their lives. They have a lifestyle that is too busy for their bodies." But surely all he is doing is making them busier still by giving them three more dates to fit into their overfull schedules every week.

"It's such a small part of the week. There are 160 hours in the week - we see our clients for just three hours."

But supposing, I protested, you

were someone who wanted to get fit but did not have a spare £7,500 a year, is there anything he could recommend to them?

He thought for a bit. Number one, he said, is to make sure they

I realised that this place wasn't a gym at all, it was a church

not fat and do a bit of gardening or play a bit of golf, maybe you are getting along fine without Matt Roberts.

"I don't see it like that," he said. "To say what a person needs you must understand them well. You need to know what that person's goal. Everyone has their own target for how they want to look better or be physically better."

I don't, I said.

He ignored this. "There will come a time when you will have to recognise that you must set targets. It's not a selfish thing. You might want to change your health level. You might want to push towards achieving something beyond that."

Sensing that there was no future in discussing my health level, I asked instead what it took to be a great personal trainer.

"Listening skills," he said,

which was a surprise as I was experiencing a bit of difficulty in getting through. "The typical trainer talks about himself," Roberts went on.

"You also need good analytical skills. You need to look at the client's heart rate and design a workout that suits them for that day."

In addition, the perfect trainer should read the FT, he said. Presumably this means that the client can get the trainer's view of the world economy thrown in gratis as he sweats it out on the treadmill.

"The Asian crisis! Russia! The way the Dow is coming down! The trainers find it fascinating," said Roberts.

How much do they get paid for all these skills? For the first time this smooth young man looked confused.

"A good amount." Breaking

rule one, we started to talk about Roberts himself. How he might have been a footballer but had an injury, and how for a while he was a professional runner. How he gets up at five each morning, and starts the first client workout at 6am. How he does four or five hours' training a week himself. How he never eats sugar or anything fried, and doesn't drink except the very occasional glass of wine. "I need to be a good role model," he said.

As I got up to go I realised that this place wasn't a gym at all, it was a church. But when I put the idea of fitness as religion to Roberts he seemed to have no idea what I was talking about. "I wouldn't go that far," he said, and assured me that his trainers kept an eye on all clients to make sure they did not overdo it. "Everything is taken care of," he said.

Dispatches

Glitz blitz misses the targets

Marisa d'Vari tries to keep her cool as she hunts for the glitterati in the Hamptons

It's silly, I know, but I swore never to visit the Hamptons until I made the bestseller list and was celebrated as "the next big thing" - until the glossy, gossipy Hamptons magazine photographed me watching polo matches from a VIP seat or laughing gaily, champagne glass in hand, at charity galas. But I decided I could wait no longer.

"Let's go to the Hamptons tomorrow. It's only four hours from Boston by car - we'll be there by lunch," I suggested to my husband, neglecting to add that my objective was to check out the social scene, without being seen myself.

Just as you need the right car in LA and the right Upper East Side address in Manhattan, in the Hamptons your worth is determined by who invites you to their mansion for the weekend, or what famous, powerful people you're able to lure to your

own mansion as house guests.

At the very least, you have to be beautiful, savvy, and shrewd enough to befriend high-powered PR people who can get you invitations to soirées at the estate of department store heir turned movie mogul Ted Field or the rap star Sean "Puff Daddy" Combs.

Once we hit Long Island, we embarked on a pre-lunch cocktail at the American Hotel in Sag Harbor, watching dozens of middle-aged couples, identically dressed in khaki shorts and T-shirts, sauntering up souvenir-clogged Main Street in a shop-

aholic daze. "Billy Joel will be here in a half-hour," the waiter winked. "And Alan Alda sat at that table the other day." Talk is cheap, but Sag Harbor lacked the atmosphere I craved.

We continued to the Maidstone Inn in East Hampton, where I had arranged an interview with chef William Valentine.

The scene here was decidedly cooler.

Many of the diners savouring the chef's speciality of seared Long Island Duck were high-ranking entertainment executives or authors who regularly

appear on the New York Times top 10 list.

They sat, for the most part, at tables of six or eight or 10. An intimate gathering of power players who've decided to go off on their own for lunch rather than attend brunch for hundreds at David Geffen's mansion.

I hid behind my oversized sunglasses, absorbing the goings-on but hoping to be shielded from prying glances. We were the only table of two apart from two older women to our right, and just about the only table not talking about friends who make the front

pages of the world's newspapers, their latest studio deal, or the problems with their 15-city book tour. I felt like - gulp - what we were. *Tourists!*

"Aren't you on TV?" a woman at the next table asked me.

"Yes..." I admitted, turning a bit red. My cover was blown. I was identified as one of the uncool, unconnected people who had to resort to a restaurant for lunch instead of relying on famous, fashionable hosts they could brag about on the cocktail party circuit.

Dinner reservations at the

trendiest places - Alison by the Beach, Pacific East, Nick and Toni's - proved a challenge. "Impossible," the hostesses of both restaurants pronounced. They had been booked for weeks.

But my husband, savvy financial manager that he is, played them off against each other. "My wife's doing a story on Bill Valentine of Maidstone Arms," he said to the hostess at Alison by the Beach. "And it would be great if we can include your chef, Robert Gurvich, too." Ditto for Nick and Toni.

Success, albeit for the early

seating only. And not in the main dining room, where I hoped to satisfy my curiosity about Hampton glitz. I imagined ladies dressed with gold everywhere, eyeing one another's latest jewelry, husbands and surgery.

It wasn't like that: women and men favoured expensive, but casual clothing in a thousand shades of beige. My initial assessment, it seems, is correct. For a real taste of the Hamptons you have to be a bold-faced name that regularly appears in the columns. Otherwise, there's really nothing to do but lie on the beach.

And so we slipped out of the Hamptons, never to return until a bidding war on my book or script spins me, overnight, into the literary stratosphere as the new Big Thing.

Marisa d'Vari is a Boston-based novelist, screenwriter and producer/host of a weekly television show (www.dvg.com)

PERSPECTIVES

It's OK, no one's looking at you...

You can wear a Barry Manilow T-shirt without having to feel embarrassed, says Raj Persaud

When you make a social gaffe, all eyes turn to focus on you, burning into your self-confidence and scorching your skin to a scarlet rash.

Or that, at least, is how you feel. In fact, the people around you will be far less concerned than you imagine - the social spotlight is nowhere near as large and bright as we fear. And scientific experiments can prove it.

Wearing the wrong dress code, having a bad hair day or turning up to a dinner party without a gift for the hosts makes us all feel we are under the social spotlight, and we squirm accordingly. But our sense of how much we are noticed and judged by others is exaggerated.

Psychologists call this sensation of being scrutinised the "spotlight effect" for the way it appears to highlight our every move and expression when we commit a social faux pas.

Thomas Gilovich of Cornell University, Victoria Medvec of Northwestern and Kenneth Savitsky of Williams College in the US are about to publish the results of intriguing experiments demonstrating for the first time that people habitually overestimate the extent to which their actions and appearance are noted by others.

In one repeated experiment a student was required to don a potentially embarrassing T-shirt (one showing a large picture of Barry Manilow, a popular singer

of low prestige among college students).

The wearer of the T-shirt was later asked to estimate the number of fellow students in a crowded room who definitely discerned the face on the shirt, and this was compared with the actual number who noticed.

In fact, each student who took part was so distracted by his own embarrassment, he was unable to assess accurately how noticeable it was to others. Each T-shirt wearer wildly overestimated how many people spotted the Manilow shirt by, on average, a factor of two.

The psychologists contend that this systematic exaggeration of how much we are noticed in similar situations derives from our sensation of being "in the spotlight", producing an inability to see ourselves as we truly appear to others.

This theory predicts that we will similarly overestimate how much others notice changes in our behaviour and appearance over time - hence the recent narcissistic invention of the "bad hair day". Clearly, the apprehension involved here is that others will notice the "bad hair".

But experiments suggest this concern may be overblown. The variability that an individual perceives in his (or her) own appearance is likely to be lost on most observers. To others, one person's bad hair day might be indistinguishable from the good.

In one study, Gilovich, Medvec



and Savitsky approached students on unannounced occasions throughout a college term, and asked them to rate how they thought they appeared to everyone else on that day, relative to how they appeared on most other days - in other words, did they think others would see them as having a good day or bad day in terms of physical appearance?

As suggested by the theory, participants believed their appearance varied substantially more in the eyes of their fellow students than was actually the case.

The explanation for these results is that most of us spend most of our time focused on what

is happening to us, its significance to our lives and how it appears to others. Each of us is the centre of our own universe.

This means there are frequent disparities between the way we view our performance, the way we think others will view it and the way it is actually viewed by others. Whether making a brilliant point in a boardroom discussion, or executing the perfect shot on a tennis court, we sometimes find that the efforts we view as extraordinary and memorable go unnoticed or underappreciated by others.

Obviously, people realise that others might see things differently from how they do. This

makes them try to make adjustments. The ability to do this marks our development from childhood to adulthood. Young children assume everyone sees things exactly as they do; adults can take account of another's perspective.

But even adult adjustments can go hopelessly awry. Such fine-tuning is imperfect, and we still end up believing that more eyes are on us than is actually the case.

Savitsky and colleagues have also found that the spotlight effect only occurs when we are self-conscious of our actions or appearance. When the psychologists repeated the Manilow

T-shirt experiment, but allowed the wearers more time to get used to it, they became less embarrassed and were able to guess more accurately how many other students noticed the shirt.

The experiment confirmed that we are less likely to feel the spotlight effect when we are less focused on ourselves, perhaps when our behaviour is routine and automatic, or when we have grown used to some aspect of our appearance.

Does this go further? Is there a "reverse spotlight effect" that occurs when people are not conscious of their own behaviour and yet their actions are quite noticeable to others? It seems there is. Smokers, for example, frequently under-rate how intrusive and disturbing their habit is to others because, having practised the habit so much, they often indulge in it inattentively.

Likewise, those who douse themselves regularly with what seems like gallons of after-shave may - because they themselves have grown accustomed to the scent - underestimate how readily it is detected by others.

In another series of experiments, Gilovich and Savitsky, with Nicholas Epley, also of Cornell, looked at how our social gaffes affect the opinions of others. One individual was the only guest at a party without a gift to offer the hosts, and another was unable to recall the name of an acquaintance.

In each case, the guests

believed their blunders would bother the hosts more than it did, and that the hosts would form a more negative impression of them than they actually did.

It seems that not only do we overestimate the extent to which others notice our appearance and behaviour, but we also exaggerate the effect it has on others.

There are important lessons in this research for all of us. The biggest regrets in most people's lives tend to be things they have failed to do, rather than things they have done. Fear of failure and the social shame it might bring made them miss opportunities; they did not reach out to others for fear of rejection; they did not join a dance or join in a game for fear of looking inadequate.

Indeed, it was the psychologists' work on regret, and the observation that so much regrettable inaction stemmed from a concern with how failure would look to others, that led to research on the spotlight effect.

Perhaps we would have fewer regrets if we properly understood how much inattention our actions actually drew from others. As Abraham Lincoln commented: "People will little note, nor long remember."

But if we are all so obsessed with ourselves that we scarcely notice what everyone else is up to, this might explain why we are not being noticed as much as we think we are.

Dr Raj Persaud is consultant psychiatrist, Maudsley Hospital, London

The scientist who tried to make people happy

John Meurig Thomas celebrates the bizarre life of Count Rumford

He had achieved fame as a soldier, spy, scientist, inventor, statesman and social reformer and 200 years ago today he arrived in London from Munich.

He was Count Rumford, a 45-year-old American-born, opportunistic man of action, and he had been sent to London by the Elector of Bavaria to be minister plenipotentiary at the Court of St James.

But George III declined to accept him as ambassador, mainly because Rumford was a British subject upon whom the king had earlier conferred a knighthood.

The king could not have known just how beneficial this decision would eventually prove for the study of science.

Rumford, born Benjamin Thompson in Woburn, Massachusetts, had shown exceptional drive and intellectual curiosity in his teens when he tried his hand at medicine, commerce, school-teaching and as a college student at Harvard.

At the age of 19, while a teacher in Concord (formerly named Rumford), he married the richest widow in New Hampshire only four months after meeting her, thereby gaining entry to the circle of the royalist governor of the province. He soon started spying for the British during the growing turmoil of the American Revolution.

His new-found position also gave him scope, as a gentleman farmer, to pursue experiments as a natural philosopher; he invented a reliable, gallium-based invisible ink for espionage and studied the properties of gunpowder.

Unfortunately, as a major in the New Hampshire militia, he became extremely unpopular with his overt espousal of the American Tory cause, which aroused the ire of most of his compatriots.

He had to abandon his wife and their baby daughter, and sailed for London in 1776 to report directly to George III on the situation in America.

The self-assured 23-year-old was given government posts and during this period he carried out some seminal experiments into the ballistics of cannons. Sir Joseph Banks, president of the Royal Society, was so impressed with this work that Rumford was elected a Fellow of the Royal Society in 1779.

Five years later, having achieved the rank of colonel in the regular British Army, Rumford left to seek his fortune in continental Europe and entered the service of the Elector of Bavaria, as his aide-de-camp.

This meant, however, that his status in the Bavarian court exceeded his status as a British subject, and so, with characteris-

tic self-confidence, he persuaded George III, for whom he had already agreed to spy on the Bavarians, to make him a knight.

His 14-year stint in Munich was extraordinarily fruitful on several fronts.

His first task was to reorganise and modernise the Bavarian army, which he achieved with a dazzling mix of science and social engineering. He began by identifying that the main item of expense in the military budget was clothing.

This led him to look at the physics of insulation so that he could order the manufacture of efficient protection for the soldiers. But no manufacturer in Bavaria was interested in his technologically advanced ideas.

When he decided to set up his own factory to make clothes for the army, he found there was no labour force. Rumford's radical solution to the problem transformed the social fabric of Munich.

At the time, the city was overrun with beggars, vagabonds and vagrants. On January 1 1790, using the dictatorial powers invested in him by the Elector, he ordered the city garrison to arrest every vagrant in Munich and throw them into the great stone city prison, which he renamed a House of Industry.

He then employed the beggars and their wives and children to make uniforms for the army. He clothed them, housed them comfortably and fed them well, using his own soup recipe which featured the potato, a vegetable he introduced as a staple food.

All this was in line with his approach to social reform: "To make a vicious and abandoned people happy, it has generally been supposed necessary first to make them virtuous. But why not make them happy first, and then virtuous?"

Munich's pleasure-grounds and park - with artificial lake, refreshment salons and Chinese pagoda, known as the English Garden and modelled on Kew - was designed and created by Rumford in 1790. It became, and remains, attractive to all strata of Bavarian society.

In 1792, Rumford was so powerful - he was simultaneously minister of war, minister of police, chamberlain of the court and state councillor - that the Elector, in his capacity as vice-regent of the Holy Roman Empire, elevated his brilliant minister to the rank of count.

Then, in 1798, he was sent to London and was rejected as ambassador by George III. How did Rumford react?

He had many influential friends in London, among them Sir Joseph Banks, Henry Cavendish, the rich, reclusive natural philosopher, William Wilberforce,



A caricature by James Gilroy of Sir Benjamin Thompson - alias Count Rumford - in front of his 'improved' fireplace

the social reformer, and the second Earl Spencer, the aristocratic land-owner and collector. Many of his friends had been involved in forming in 1798 the Society for Bettering Conditions and Increasing the Comforts of the Poor.

At a meeting of these men and

factors, who contributed much to the deplorable of the Rosetta Stone, and the flamboyant Cornishman, Rumphrey Davy. Davy proved to be a sensation. The 23-year-old Davy combined brilliant scientific discovery with an elegant literary expression which made his lectures at the Royal Institution important social functions.

Using an array of voltaic cells, combined with his own brand of intuitive, almost poetic flair, Davy discovered the elements sodium, potassium, calcium, barium, strontium and magnesium. He invented the carbon arc, and devised the miners' safety lamp, which was named after him.

He saved the Royal Institution, not only through his science and his popular lectures, but also because he made his greatest discovery there: Michael Faraday, arguably one of the greatest experimentalists of all time.

It is interesting to reflect that had George III accepted Rumford on September 19 1798, the Royal Institution, now on the threshold of its bicentenary, might never have been created.

Sir John Meurig Thomas is Master of Peterhouse, University of Cambridge, and a former Director of the Royal Institution; Thomas

factured and to increase domestic comfort and convenience. Thus was formed the Royal Institution of Great Britain (in Albemarle Street), the oldest continuously used scientific laboratory in the world and the home and workplace for nearly 50 years of Michael Faraday, inventor of the electric motor.

In Rumford's vision there was no mention of pure science; science was primarily intended to make itself useful.

The early years of the Royal Institution's growth were tempestuous, partly because Rumford's fellow managers felt his dictatorial manner and financial profligacy were irksome. Rows were frequent, and the society teetered on the brink of bankruptcy.

Rumford himself abandoned the place, partly because he was attracted to another rich widow, Mme Lavoisier, whose husband, the great chemist, was guillotined in the French revolution. He married her but they separated within a few years, thereby giving him renewed freedom to pursue innovative scientific research at his villa in suburban Paris.

Before he left, Rumford made two crucial appointments at the Royal Institution: Thomas

Young, who contributed much to the decipherment of the Rosetta Stone, and the flamboyant Cornishman, Rumphrey Davy.

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Bad boy of vegetables in good odour

In California, garlic is forgiven its chequered past, says Holly Finn

Drive 75 miles north from San Francisco and you're in the Napa Valley, glass in hand, sipping pinot noir. Drive 75 miles south, and you would be stuffing corks up your nose.

For just past the scentlessness of Silicon Valley is Gilroy, garlic capital of the world.

Smell is not something most Americans care to talk about unless, in soothing tones, they are trying to convince you that aromatherapy can be sensual. Garlic does not have the patience for that: the odour of mass-produced garlic comes at you with big fat claws. It is the bad boy of vegetables, attractive because it is repulsive and repulsive because it is attractive.

Gilroy, which seems a very ordinary town on the surface, has embraced this contradiction and, in the great American way, has learned to capitalise on it. Like the executives who put Climax, Colorado, on the map when they made a market for molybdenum, garlic producers have made Gilroy's name selling the stinking lily (it's a member of the family Liliaceae).

The 35,000 residents of Gilroy agree about the smell: "You get used to it." Since the Gilroy Garlic Festival was started in 1978, the town has become the unofficial home of sulphur breath. Every year on a late July weekend, hundreds of thousands of garlic-lovers gather in this town, once known for its flour mills and soap factories, to savour garlic in all its forms, including ice-cream.

Don Christopher can be thanked for a good portion of Gilroy's notoriety. Co-founder of the festival and founder and owner of Christopher Ranch, one of the largest producers of fresh garlic in the US, he left his family's prune-farming business in 1966 because he "wasn't happy with prunes - they were dull." It is hard to argue with him.

About 800m pounds of garlic, approximately 90 per cent of all US domestic production, is grown in California, of which 130m pounds are sold fresh. At Christopher Ranch, they produce 40m pounds fresh, 18m pounds peeled and 5m pounds pureed. The fresh comes in six sizes - from super-colossal down to giant.

When I visited the ranch, its production lines were at full tilt as I was shown around by the marketing director. Crates of fresh colossales were stacked, awaiting shipment to New York (where customers demand their garlic big), tawny purple was being pumped into hundreds of 9oz glass jars, and a proprietary air-peeling system was blasting the skins off individual cloves.

Here at the ranch, garlic is forgiven its chequered past. The ancient Egyptians might have incorporated it in burial rituals, but garlic was most widely used by the common people and considered unclean by many priests. In the 14th century, King Alfonso of Castile thought garlic so loathsome that if a knight ate it, he was

forbidden to appear at court for at least a month.

"It had a bad connotation," Christopher told me. "It was for the poor." He was referring to a time earlier this century, when the bourgeois considered garlic déclassé.

Now, he says, garlic consumption in the US, which was 1.1 lbs per person in 1988, has leapt to an equivalent 3.1 lbs. Sales have been growing at 8-10 per cent a year.

Industry experts cite, among the catalysts for garlic's comeback, numerous reports that garlic lowers cholesterol and reduces the chances of heart attacks and cancer. Despite a recent German study that questioned garlic's health benefits (published in the Journal of the American Medical Association), the bulb looks as though it will keep blossoming. Alternative medicine helps its cause but experts also point to an increase in the appetite for international food - particularly Asian. We seem to be craving tastes that call for ingredients such as the Absolutely Amazing Garlic Cluster-Buster - tastes that scare. When cooked slowly garlic can be mellow, but when seared or crushed raw it's a fury of allicin (the amino acid stored inside) and attitude.

Asked whether garlic eaters seem to stand closer together or further apart, Holland Goss, a New Yorker who has been to the Gilroy Garlic Festival and swears she would go back, says: "Probably closer together, because everybody smells bad. There's sort of a camaraderie of bad-smelliness."

The crops have been drenched this year and, though garlic loves water, there's a limit. Severe rust disease has broken out in central and northern California, infecting garlic leaves with fungus, reducing bulb size, and quality. Christopher Ranch will be 35m lbs short this year, and is having to import from Mexico and Argentina.

Not everyone in Gilroy is concerned. At O.D.'s Kitchen, a local eatery, I chewed on a garlic cheeseburger while the man next to me worried aloud over his crossword. "Was it Monet or Corot who did the water lilies?"

And Dave Camacho, sitting outside the Coffee Roasting Club on Gilroy's main street, flexes his considerable arm muscles and tells me: "I'm not a garlic lover, to tell you the truth." He runs his own health club and says frankly: "This is not the health capital of the world."

Excepting Camacho, people in Gilroy eat slightly more garlic on average than people elsewhere - "probably a pound more a year", I was told. But the local hospital, with a cardiac unit so limited that most patients are sent "up north", cannot verify whether residents have fewer heart attacks.

What they do have is a unit of energy - not the micro-chip, but the clove - that is pretty darn potent. "If you notice, you smile when you talk about garlic," says Christopher, smiling.

Scribe who never grew up

هكذا من القليل

BOOKS

A word about the beginning

Steven Rose, a scientist and atheist, takes a fresh look at the lessons of the Bible

Once I would certainly have refused. Why ask an atheist biologist - especially one brought up as an orthodox Jew - to write an introduction to Genesis? The publishers, Canongate, who are bringing out a series of pocket paperback books from the King James Bible, assured me it wasn't a mistake.

But wasn't to write such a piece to endorse tacitly everything I had rejected by the time I was a teenager? In those days, I was sure that science was a safer guide to understanding the world than religion, that the Berashis story of creation - the Hebrew version of Genesis - was a fantasy we should have long grown out of.

Reading the King James version for the first time hasn't changed this. But decades of discussions with sociologists and philosophers have taught me that even scientific knowledge is still uncertain, precarious, relative. The idea that there is a value-free science is unsustainable; inevitably, how we as scientists understand and approach the world is shaped by our expectations of it.

Modern science, along with

capitalism, was born in north-western Europe in the 17th century, and its values were similarly formed within the Judeo-Christian tradition, whose deepest roots may be found in Genesis.

As a youngster, I saw scientific advance as inevitably progressive, sweeping away the darkness of superstition and religion. But the social, environmental and moral problems created by scientific and technological developments from nuclear power to genetic engineering throw such unquestioned progressivism into doubt. I find the moral indifference and arrogant certainty of some of the more polemical scientific atheists distasteful. Especially when they embrace so wholeheartedly their own version of religion, a crudely reductionist form of ultraDarwinism.

So I recognise that to write as I have done is to risk attack from two opposing fundamentalist

quarters. To one, I seem a blasphemer, to the other, perhaps, a betrayer of science.

Genesis is about the creation of the world, and of the origins of humanity, though in fact our first great surprise in rereading it is that this great saga occupies only 31 short paragraphs. All the rest - the remaining 118 pages in the Canongate edition - is a chronology of obscure lineages and seemingly random accounts of incidents in the life of Jacob, his brother Esau and sons, including of course Joseph, so the book ends with the family living in some comfort in Egypt.

God's role in all this seems pretty arbitrary. Why did he prefer Jacob to Esau; why did he encourage the trickery of one brother on another? We aren't told, and it doesn't make for a very edifying story. What are its ethical lessons?

Nor for that matter do God's motives strike me as particularly

elevated. He expels Adam and Eve from the Garden of Eden, prevents them eating from the tree of life, destroys the Tower of Babel and confuses its builders linguistically, even floods the world, lest humans become like gods, as if he is afraid of the potential of his own creations. These may be the actions of a jealous, but hardly of an all-loving God. Or even an all-knowing one, as presumably when he created humans he could have limited our capacities.

Let me return to the message of those 31 paragraphs in the context of how modern science understands origins. The sequence of creation of the universe from nothingness, culminating after six days in humans, is not so far afield from Big Bang theory, as I understand it, except that as scientists we are allowed to answer questions about what

happened before the Big Bang by saying we don't know, rather than that God did it.

But for biologists, humans are merely one among 15m or more equally evolved species, certainly not the unique pinnacle of creation. And just as the Bible makes humans subject to God's whims, it also gives them domination over nature and all other creatures in it - a philosophical outlook which has until recently been central to the technological drive that is so central a feature of modern science.

A further theme within the creation story is that of the relationships between men and women. Even within the 31 paragraphs, there are two versions: in the first, God creates man and woman; in the second, he creates Adam and then Eve as a helpmate to him. The Judeo-Christian emphasis, and the science which follows it, has been on the second rather than the first ver-

sion: as Milton put it, Adam's task is to serve God, Eve's God in him. No wonder there has recently been an attempt to restore the role of first woman, apocryphally Lilith.

Finally, there is the Fall. East of the tree of the knowledge of good and evil, and consciousness enters. The implications here have shaped both theology and the assumptions which have been incorporated into much modern philosophical and biological thinking - of predestination, determinism, free will and original sin. Today's evolutionary psychologists argue that why we do what we do, for good or ill, is written into our selfish genes whose interests have shaped our evolutionary past - hence determinism.

But, flinching from this prospect they suggest that perhaps we can rebel against the tyranny of these genes - hence free will? Whence comes this power to

rebel? From the Bible, the answer is that God gave it to us. And, in essence, ultraDarwinists have no other answer, except to adopt a quasi-religious one. Me, I'm a thoroughgoing materialist. If we have the power to choose, that choice too must be inscribed within our human and biological capacities, given, not just by our genes, but by the self-organising, creative way in which each of us, as biosocial beings, constructs our own developmental trajectory, our lifeline. This I believe to be the message that a reconceptualised biology can provide about the nature of being human. But to understand and live it fully, we need to transcend our Judeo-Christian and reductive scientific traditions.

*Other writers contributing introductions to the Canongate £1 Pocket Canon books from the Old Testament, published on October 1, include Doris Lessing (Ecclesiastes), Louis de Bernières (Job), Fay Weldon (Corinthians) and pop singer Alex Cane (Mark).

Steven Rose is professor of biology and director of the Brain and Behaviour Research Group at the Open University. His book *Lifelines* will be published by Penguin in paperback next month.

Scribe who never grew up

Nigel Spivey finds Norman Mailer in short supply of irony

Here is the book to serve as an offensive weapon. It has left Ernest Hemingway once whacked a critic with such hard copy. Since Norman Mailer has so often played Hemingway's pet monkey, the chance is alive for this compendium to go ballistic.

However, Mailer usually prefers the headbutt: the clangour of his mighty cra-

almost electric thrill his prose occasioned then. It was quick, muscular, attuned and exuberant: his own first novel (*The Naked and the Dead*, which impacted him as a talent in 1948), was swashbuckling enough for any boy to relish. That debut deserves a place in this chronicle of excerpts: if only because it describes a prehistoric sort of combat in which Marines could land on an enemy beach without having to stage retakes for the amassed TV cameras.

Mailer's most rancorous detractors could not begrudge the fact that his sharp-reflexed style would hit the mark again. *The Armies of the Night*, marshalled for the anti-Vietnam mood of 1967-68, gave us "the novel as history", and the author as third-person protagonist of history; and it worked. Here was Mailer's dream come true: the writer as megaphone man, controller of crowds - political animal.

THE TIME OR OUR TIME
by Norman Mailer
Little Brown £25, 1,296 pages

nium upon the bones of some lesser mortal. The account of how he meted out that treatment to Gore Vidal just as they were both preparing to appear on a chat show is included in Mailer's self-selection of his work to celebrate his 75th year. Vidal's offence? To have suggested that Mailer was violent. Mailer's response? Headbutt the smarmy fagot.

The gift of irony has not been conferred upon Norman Mailer. Everyone knows his chat-show persona: braggadocio exhibitionist promiscuous opinion-spout. But in his mellow years, some quiet sense of self-mockery might have been expected to settle; some autumnal responsibility to clip those florid displays of verbose ebullience.

The fault of this volume is that it has been assembled by a man without the whisper of repentance on his shoulders. True, he gives us his times. But we must seriously doubt Mailer's own capacity to discriminate his best times from his worst. The resultant lumpen mass is indeed a monument: like some tragic piece of post-war architecture which we wonder why was ever commissioned.

My notebook tells me that I first read Mailer in 1978; and I can still remember the

plainly Mailer has always viewed the lump-wristed vocation of writing as not quite his: a big part of him wants to be out and about and digging ditches or planting punches. Then there has been steady financial pressure: a chorus of ex-wives in his wake, cooing for alimonies. But these factors together with Mailer's determination to be both hero and scribe of his own epic, and the result is a life's work which now looks like at least 50 per cent dross.

"Bureaucracy is the only form of human organisation that can manage to pass a hot potato through a small crack," Mailer's high-profile journalism is embedded with such shrewd and colourful nuggets: but his verbosity when strewn across 1,200 pages shows its slackness, too. "I was feeling as relaxed as a piece of spaghetti cooked in wine," he will tell us. He might have added:

want to see how I run this sentence for a whole paragraph - without repeating a single word?

In content, the most flagrantly commercial and intellectually facile of the books excerpted here is Mailer's "factoid" portrait of Marilyn Monroe: patently veined with the author's own sexual envy of Arthur Miller. The most dated pieces come under the section "Women's Liberation" -

the title itself revealing an old man's mind - which include Mailer's homage to the lesser Miller, ie Henry. Shriek as feminists may have been in battering the reputation of Henry Miller, they were still essentially right. Mailer's defence only succeeds in showing that Miller never wrote about some erotic state of innocence in the Garden of Eden, but a patriarchal primal state in which women are so

many holes to be plugged. Writing about rutting is intrinsically repetitious; and as Mailer himself warns, "repetition kills the soul".

Save for one flight into ancient Egypt, Mailer has only written about America, which gives this tome a curiously parochial feel (though Bill Clinton's popularity is nicely glossed by an antiquarian note that Pharaoh Ramesses II once revealed a mighty erect phallus to

300,000 cheering subjects). So. America's last half-century, according to Mailer, ends back on known shores. *Huckleberry Finn*, he tells us, is indeed the great American novel. Bret Easton Ellis's *American Psycho* is, he declares, vulgar artless sensationalism.

There is one weary conclusion to draw from the collected Mailer. Some boys take a lifetime to grow up.

The body and the soul

Richard Skinner on the effects of illness on the individual

In a recent discussion about the role of illness in modern times, Rabbi Nachman Bolman, the spiritual director of the Ohr Somayach Yeshiva in Jerusalem, suggested that suffering has come to take the place of prophets. He argues that illness can "teach us by pointing us towards our inner lives rather than our external circumstances".

This is very true in Simon Hattenstone's case. His book, a lucid account of an alarming illness, has little to do with the illness itself, but everything to do with how he copes and what he found in himself while ill.

As a nine-year-old boy, he woke up one morning with a thunder-and-lightning headache, which stayed with him for the next three years, as did "violent vomiting, outrageous temper, stiff neck, light aversion, total appetite loss". In no time at all, he had lost half his body weight.

As he became isolated from the world, Hattenstone was forced to find ways of keeping sane. He was bought a punchbag by his family and instructed to "give it a good whack" whenever he felt like it. He would keep himself beautiful in his own mind by identifying with Marc Bolan and Roy Wood, listening to their records, drawing pictures of them and dressing like them.

The family doctor thought the illness psychosomatic and proclaimed the boy a "bleddy malingering". It was only after months of further misdiagnoses, negative testing for various conditions and medical bafflement that he was found to be suffering from viral encephalitis, an extremely rare inflammation of the brain.

Hospitals, which became Hattenstone's second home, were sites in which his body was exposed, penetrated and scrutinised. His bodyweight, shape and colour became the limits of his experience. His burgeoning sexuality revealed itself to him in a touching description of a

bedbath, during which the nurse's uniform, Afro hair and fingers all become highly eroticised.

An exploratory operation on his head just before his 11th birthday left him cruelly hairless and his response was to begin obsessively plucking eyebrows and pubic hair from his body.

On holiday in Spain, he was given a wig, flares and platform shoes to wear. In the hotel lift, he was recognised by a boy from his school and, when asked if he was Simon Hattenstone, said: "Simon who? I don't know anyone called Simon."

After two years of illness, his wish to destroy had begun to melt away and was replaced by a need to create. He "trepanned" his brain by writing poetry. His mother's

OUT OF IT
by Simon Hattenstone
Sceptre £12.99, 254 pages

friend in publishing, Emma, was brought in as a secretary. She typed up his outpourings, discussed titles and layout with him and, together, they planned his career as Simon John. poet.

Another warm and generous friendship Hattenstone had the good fortune to experience during his illness was with Diane, a 50-year-old friend of his parents.

Together they walked their dogs in the park and it was with her that the young boy asked his most difficult questions: "Well, what do you think, Diane, is God a c*** or what?" In the middle of one of these debates, another boy from Hattenstone's school approaches him and tells him everyone thought he was dead. His response is to punch the boy and Diane keeps quiet.

Hattenstone's memoir remains similarly clear throughout. He places no emotional distance between himself as a boy and his illness, which means that he wisely keeps intact the anger he felt at the time rather than inserting any acceptance of the situation he may feel in hindsight.

The book closes with a paper given by Hattenstone's mother to a medical conference outlining the course of her son's illness, and it is with this switch in narrative point-of-view that we understand its severity for the first time. This was in 1975, by which time the boy had become an adolescent, already beginning to "reclaim my world".

Speaking about his illness now, he says: "Even though I'd not seen the outside world for two or three years, I felt I understood it better."

Key player in the game

Maurice Peston discovers the real John Nash, winner of the Nobel Prize for economics

About 10 years ago, Martin Shubik, who has done as much as anyone to demonstrate the importance of the theory of games in economics, told me he was convinced that soon a games theorist would be awarded the Nobel Prize in economics. He asked me who I thought it might be. I tried out various names (all of which appear in Sylvia Nasar's superb book), but not John Nash.

Although I knew about Nash's great work, I had no idea he was still alive and I knew nothing about his long history of mental illness. He was almost a mythological character, hardly distinguishable from "Nash equilibrium".

The two most fundamental parts of contemporary microeconomics are Nash equilibrium and the so-called Kuhn-Tucker theorem. The latter provides the basis for the whole theory of individual maximisation and char-

acterises the concept of price, which is the essence of decentralised market economies.

What Nash offered, as a young man at Princeton in the 1950s, was a rigorous theory of the equilibrium resulting from independent decision-making (in a range from two to an infinite number of participants) in a market context. He offered a great leap along a path which started with Adam Smith, and remains unfinished. To paraphrase Dr Johnson, such a work of genius is so strongly embedded in the literature, and gets so much taken for granted, that its originator is forgotten.

The book is, of course, largely about Nash himself, the tragedy of his personal existence, and the value of

his contributions to economic theory. Diagnosed as a paranoid schizophrenic in 1959, Nash spent the next two decades in and out of psychiatric institutions. When he was awarded the Nobel Prize for economics in 1994, he was living on a very low income in comparative obscurity.

Nasar's book also offers a marvellous evocation of the Princeton of the 1940s, 1950s and 1960s. As a description of a part of the academic world, her account may well become a minor classic in its own right. It was said in those days that a random 50 per cent of Princeton's mathematics department was better than any other department elsewhere in the world. It, and much of the rest of the university, was full of

eccentrics who I, in my younger days, thought of as crackers but were apparently still within the range of academic normality. As an example, Nasar tells us that Oskar Morgenstern, the joint author with von Neumann of the Theory of Games and Economic Behaviour, claimed to be the illegitimate son of the Kaiser.

Nasar's account of the Nobel Prize award process is fascinating and disturbing. I have always regarded it as verging on the ludicrous (although not as absurd as the prize for literature). Some very good economists

have won it, but for others it is hard to believe that their contributions will stand the test of time. Nash's work meets the criteria of originality, significance and permanence. It is that which makes the chapter on the prize so astonishing.

The committee rightly took advice on the importance of games theory in economics and some members of the Swedish academy took the opportunity to call into question the scientific nature of economics itself. All of that is permissible. But to raise one candidate's mental condition, even if in due course to dismiss its relevance, was outrageous. There have always been rumours that the politics and the nationality of candidates are taken into account.

What happened in Nash's case was worse.

There are several heroes in this story. Harold Kuhn was a staunch friend. Lloyd Shapley, probably Nash's main rival, and a likely recipient of the prize in the near future, stood up for him. But the true heroine was Alicia, Nash's wife. She had to take the decision to have him committed. She rejected electro-shock treatment. Subsequently it became too much for her, and they divorced.

The difficulty of her life intensified when their son also developed schizophrenia. Later, while short of money and heavily burdened, she took Nash back - "her gentle manner probably played a substantial role in his recovery", says Nasar.

A BEAUTIFUL MIND
by Sylvia Nasar
Faber & Faber £17.99, 460 pages

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BOOKS



An oasis in the badlands: a study of Sloux Chief Red Hawk by Edward S. Curtis, known as "The Shadow Catcher", who photographed every known Native American Indian tribe at the turn of the century. Sixty of Curtis's prints are being published in limited edition by Atlas Books (at £200-£250 each), coinciding with exhibitions at the Atlas Studio Gallery, London EC2 (from October 2) and at the Barbican.

Those dogdays of scandal

Patti Waldmeir charts the ebbs and flows of the US Supreme Court, keeper of the civil religion

These are small times in US politics. Times which may yet have the largest of consequences. But small times, none the less, in the big picture of US nationhood.

So do yourself a favour: lift your gaze, for a moment, from the small print, the sexual minutiae of presidential life, and let history be your analysis.

Consider the noble course of America's long political conversation with itself – over the grandest of issues, liberty, equality and the pursuit of happiness – and ignore for a moment the tawdry national gossip session which threatens to debase it.

Of course, the debate over President Bill Clinton's misbehaviour and deceit purports to be part of that grand conversation. Certainly, it is framed in the largest of terms: Clinton is accused of abusing power and sully the rule of law – the gravest of crimes against the constitutional order.

Many Americans, especially outside Washington, still find it hard to believe the Founding Fathers wanted things this way. But

each age must choose its own definitions of abuse. And Clinton may yet become the first American president in history to offend so seriously against the constitutional order as to be removed from office.

It helps – at such painful, pitiful, gut-wrenching moments in a nation's life – to keep in mind the grand design. John Semonche's new book came out when the present crisis was still in embryo. But it provides what is wanted: a big picture account of the shaping of American society and culture, and of the role of the US Supreme Court as a central participant in the grand conversation.

Semonche paints a portrait of the court – arguably the grandest of US political institutions, designed to rise above the pettiness of partisan division – as the keeper of America's core political values and promoter of a "civil religion" which is peculiarly American. That religion, he argues, is based on the rule of law and the promise of fair and equal treatment for all. It is that essential American creed which Clinton is accused of

having defied and defiled through his conduct.

Semonche traces that creed from its genesis: as a tie to bind the peoples of one of the world's most diverse nations. "From the beginning, Americans, lacking any traditional basis for nationhood, defined themselves in terms of ideas – liberty, equality, and republicanism."

KEEPING THE FAITH: A CULTURAL HISTORY OF THE US SUPREME COURT
by John E. Semonche
Rowman & Littlefield, \$39.95, 608 pages

He follows the halting path of the court, as it constantly redefines its role: sometimes shaping society vigorously (during the civil rights revolution of the 1950s, 1960s and 1970s), sometimes refusing to shape it; sometimes deferring to the legislature, sometimes blatantly usurping its role. It is an institution which sometimes leads, sometimes follows – and sometimes even misleads, as it did with the famous Dred Scott decision of 1857, which helped precipitate the civil war.

The case of the slave Dred Scott was viewed as a test of the power of Congress to ban slavery in new territories outside the old South. Semonche paints the court's dilemma, faced with the task of balancing the slave's right of liberty against the slaveowner's right to the slave as his property – both protected by the constitution. In what was arguably the court's worst decision, the chief justice fell hard on the side of the property right, declaring what amounted to a constitutional right to own slaves. The court, charged with fostering unity, had instead hastened the course to war.

Semonche turns next to the new constitutional order which emerged from the ashes of war, with the adoption of the so-called Reconstruction Amendments, which laid the basis not only for an end to slavery but for the rights revolution which occupied the court for most of the last half of this century.

Much of the book focuses on race because that is the issue which, more than any other, brought the court to the forefront of American life. Semonche analyses the forces – social, political and legal – which influenced the key decisions on race, from Plessy v. Ferguson, the 1896 case which condoned the Southern practice of "separate but equal" racial segregation, to Brown v. Board of Education in 1954, which made school segregation unconstitutional; via a number of less known decisions by which the court altered the economics of segregation, making it simply too costly to maintain "separate but equal" facilities for blacks.

He traces the ebb and flow of the integrationist tide, from the advances of the 1960s through the affirmative action revolution of the 1970s and 1980s, to the reversals of the 1990s, which have seen the court begin to return to its original focus: defending individual rights, rather than the "group rights" fostered by affirmative action.

Free speech, abortion, freedom of religion, states' rights – Semonche puts all the important cases into cultural perspective. It is a welcome relief as the dogdays of scandal give way to crisp autumn days of crisis.

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Fiction / Joan Smith

Fascinations and fantasies

There are two ways of reading *Man Crazy*, the latest novel by acclaimed American author Joyce Carol Oates. One is to approach it as a bleak, though ultimately hopeful, exploration of the effect on an impressionable young woman of emotional loss. The narrator, Ingrid, appears on the opening page of the book in shackles, shuffling along to see a doctor in the hospital wing of a prison. She is not a junkie, but she has had a habit since childhood of scarifying herself – picking at bites and scabs, scarring the beauty she inherited from her mother.

At school she was known as "Doll-girl" but in prison, as a result of the terrible, unspecified things which have happened to her, the other inmates taunt her with the insult "Dog-girl". This nickname, with its obvious pornographic potential, is left unexplained until much later in the novel, as is a great deal else. Instead, Ingrid tracks back to one of her earliest memories, a ride on an aircraft with her father, a disturbed Vietnam veteran, at the controls.

Oates's style in *Man Crazy* is conversational, fragmented, an attempt to unfold Ingrid's story as she herself might tell it – is telling it to her therapist-fiance, in fact, as we discover at the end of the novel. Equally balanced between insights and evasions, Ingrid's account describes growing up with a lovely, feckless mother and a mostly absent father who is wanted for murder. Her terror of her mother's beauty, its power over men and the paradoxical dependence it creates, leads her to disfigure herself – but to repeat the same pattern nevertheless.

She eventually falls in with Enoch Skaggs, not just a murderer like her father but the leader of a satanic biker cult. Raped, tortured, starved, she finally escapes and makes a desperate call for help which leads to a massacre – and her eventual liberation from the past. Oates's intention seems to be to demonstrate the resilience of the human spirit. Yet the transformation works only if readers manage to suspend disbelief.

Allow questions to intrude – about the disjunction between her lack of education and her consciously arty flights of language, about the improbability of the sequence of events she describes – and the edifice of the book crumbles. It becomes apparent that the novel's horror of sexual violence is tempered by a fasci-

nation with it, that it draws on a paradigm of male brutality and female passivity which is the dark obverse of traditional romance. *Man Crazy* is unpleasant not because of its violent, sadomasochistic scenes but because of Ingrid's unprotesting collusion with them – and with the shopworn theories about men, women and sex which the novel covertly proposes.

It is a relief to turn from Joyce Carol Oates to *Leading the Cheers*, a frankly knowing piece of fiction from Justin Cartwright. Dan Silas, an advertising man with time on his hands after his company in London is taken over by a Japanese

MAN CRAZY
by Joyce Carol Oates
Vintage £15.99, 282 pages

LEADING THE CHEERS
by Justin Cartwright
Secker £16.99, 246 pages

corporation, returns to suburban Michigan for his high school reunion. His sentimental, patronising assumptions about his former schoolmates are detonated by a series of shocks, not least the revelation that his teenage sweetheart, Gloria Swarthout, was pregnant with his child when he returned to England.

There is to be no confrontation with the daughter he did not know he had for, in one of many bizarre plot twists, the girl has been murdered by a serial killer. At the same time, Dan's old friend, Gary Beaker, has had a series of breakers and now believes himself to be the brother of an Indian chief, the Shawnee Prophet, who died in battle in 1813. In dealing with these developments, Dan has the advantage, as an advertising man, of having spent most of his life in a milieu constructed of other people's fantasies – and knowing how to manipulate them.

Leading the Cheers presents him, at a time when he perceives himself to be drifting, with an opportunity to see himself as his childhood friends see him. Stylishly regurgitating clichés about contemporary American life, it also enables him to make a choice about his future. If everyone constructs his or her own internal world, and Dan finds his own to be empty, why not borrow a fantasy or two from old friends? Clever, funny and never quite predictable, *Leading the Cheers* takes the familiar theme of a mid-life crisis and offers a solution which is as unexpected as it is ingenious.

A voyage into the darkness

Iris Murdoch's husband mixes tragedy and memory in a brilliant biography, finds Jackie Wullschlager

Iris Murdoch once defined an artist as "a dog sniffing the air before an earthquake". From the 1950s to the 1970s, her novels, with their mix of emotional historicism and serious purpose, seemed particularly able to express 20th century man's spiritual predicament, his sense of a "religious and metaphysical background so impoverished that he is in... danger of being left with nothing of inherent value except will-power itself".

In an age of liberalism, individualism and domestic feminism, she wrote without embarrassment about mystic-moral issues, about the search for meaning in life, about love as the essence of art and ethics.

These subjects occupy us more intensely in the mor-

ally uneasy, spiritually uncertain 1990s, and they have found provocative expression not in novels but in a resurgence of the confessional form, which over the last year has produced exceptional writing: Ruth Pridmore's *Before I Say Goodbye*, John Diamond's *C: Because Cowards Get Cancer Too*, Jean-Dominique Bauby's *The Diving Bell and the Butterfly*.

All were written by journalists dying or struggling with terminal illness, and John Bayley's magnificent account of his wife Iris Murdoch's descent into Alzheimer's disease, and his every-day existence of caring for her, ranks with the very best of this genre.

Iris has the same searing intimacy held in check by irony and by a rigorously honed style, the same ability to talk of loss in kitchen-sink terms – how to help his wife into her knickerbockers or for her off with a "dishonest" drink of orangeade and wine? – which is at once hilarious and poignant, making a tender absurdity of life and death.

But Bayley's book is also different from the confessional best-sellers of youngish writers. Bayley is 72, a distinguished critic married to Murdoch for 40 years, and *Iris* is as much the story of life brightly lived as of dissolution. The tragic undertow adds a rich vein to memories which are exhilarating, romantic – though with no shred of sentimentality – and among the most life-enhancing I have read.

Here is a masterpiece of biography, autobiography, a portrait of a marriage. Echoing with the frissons of old jealousies or triumphs, it sheds fascinating light on Murdoch and her work. But even if his wife were unknown, Bayley's marvellous, many-toned book would be a classic. It falls into two parts, "Then" and "Now" – the before and after landmarks of any life hit by irreparable loss. At times, the prose of "Then" skips and dances, so insouciant and breezily evocative it is of 1960s Oxford, of first love, intellectual enchantment.

postwar gaiety. It opens on the scene in 1963 of Bayley at his study window watching a "lady on a bicycle" on the Woodstock Road. "She was looking both absent and displeased. Maybe because of the weather, which was damp and drizzly. Maybe because her bicycle was old and creaky and hard to propel. Maybe because she hadn't yet met me?" He fell in love at once, and spent three years persuading her to marry him.

They were a golden couple: her first novel came out just after they met; he, six years younger, was at the start of an eminent academic career. To Bayley at 28, it did not look so promising: "She sensed I had next to no knowledge of lovemaking (how absurdly old-fashioned it all seems today)", while she had a circle of girlfriends such as Elias Canetti – wittingly characterised here as the pretentious "Hamstead Monster" – whom she visited in secret.

They drove Bayley crazy as he lurked in doorways, followed them home, tried to be civil to rivals over lunch. He calls them "the evil gods" – they are infuriating too, when they appear in Murdoch's fiction: Bayley suggests that writing about them got them "out of her system, and finally in a

sense out of her novels too". His own story is related with self-deprecating wit, but gives an intoxicating picture of uncertain love, juxtaposed with a reversal in his role today.

IRIS: A MEMOIR OF IRIS MURDOCH
by John Bayley
Duckworth £16.95, 189 pages

"Could I have felt," he asks, "all that jealousy, ecstasy, misery, longing, unhelpfulness, mingled with a fever of possibility and joy? I can hardly believe it... as I work in bed, early in the morning, typing on my old portable with Iris quietly asleep beside me, her presence as she now is seems as it always was... Not long ago, when I asked if



Portrait of a marriage: Iris Murdoch and John Bayley

[the typewriter] disturbed her, she said she liked to hear that funny noise in the morning."

The high noon of this relationship makes a comic *tour de force*. At their wedding, Mrs Bayley can't work out whether her son is marrying Miss Murdoch or her mother, who gave birth to Iris at 19 and now looks younger than her daughter. The college butler supplies vintage champagne but the honeymoon hotel booked on the Thames is full when the couple arrive and they are despatched downstream.

On sex, they had "our own

cosy and quietistic approach to the matter", though "I found myself wondering how Iris got on in bed with lovers whose approach was more ambitious or more demanding than my own". On children, "we hardly spoke of the question... Iris's attitude to procreation, as to sex, was not dismissive: it was detached and benevolently indifferent. She herself had other things to do."

Bayley, unflatteringly modest about his role, believes only that he released the childlike in his wife, allowing her to babble and laugh as she could not do with her girlfriends, whom she gave up before they married. "She loved to be with me as if we were children again... We have always been child-like together." Maybe this made it easier for him to cope when, in 1985, she developed Alzheimer's disease. Bayley manages her as if she were a toddler.

He washes and dresses her, and "every evening we have the battle of the trousers. She wants to go to bed in them, and everything else she is wearing too. My resistance to this is half-hearted, compared with the determination she shows on the issue. Sometimes I win, more or less dragging them off... Not that I care about her trousers. Our habits have never been exactly hygienic."

The daily highlight is *Teleubbies*: Bayley gets their names wrong ("Twiggly or something, Winky, Poo"); even at this interface with popular culture, he is comically other-worldly. It is part

of a lifetime's droll acceptance of the quirkiness of humanity – a joy of his criticism – that Bayley views Alzheimer's within the spectrum of everyday human experience. In Iris, he sees an "almost eerie resemblance between the amnesia of the present and the tranquil indifference of the past", when she was cheerfully oblivious to all but work.

He is good at laughing off the vanity of the world without being judgmental; dazing at tipping from farce into tragic awareness – trying, say, to get a frightened Iris home on the bus. Most subtle is the rise of pent-up rage and despair, of which we are conscious only when we let us go and scream at her, and we feel release for him.

For, despite the humour, he is walking a tightrope between life and death, certain his wife can only deteriorate, isolated in the "grimness of our outlook", their intellectual companionship over. Or is it?

She "leaves me to work out my nastiness as if I were a child... While I am still screaming at her she says: 'Let's go. There now, Bed.' She says this quite coherently. We squeeze together up the stairs, huddle under the cold duvet, and clutch each other into warmth."

And so, in the generous spirit of the book, the reader is let off the hook again. It is the most surprising of love stories, tragicomic, gentle, masterly and wise in its overarching long view: "Every day we are physically closer... She is not sailing into the dark: the voyage is over, and under the dark escort of Alzheimer's she has arrived somewhere. So have I."

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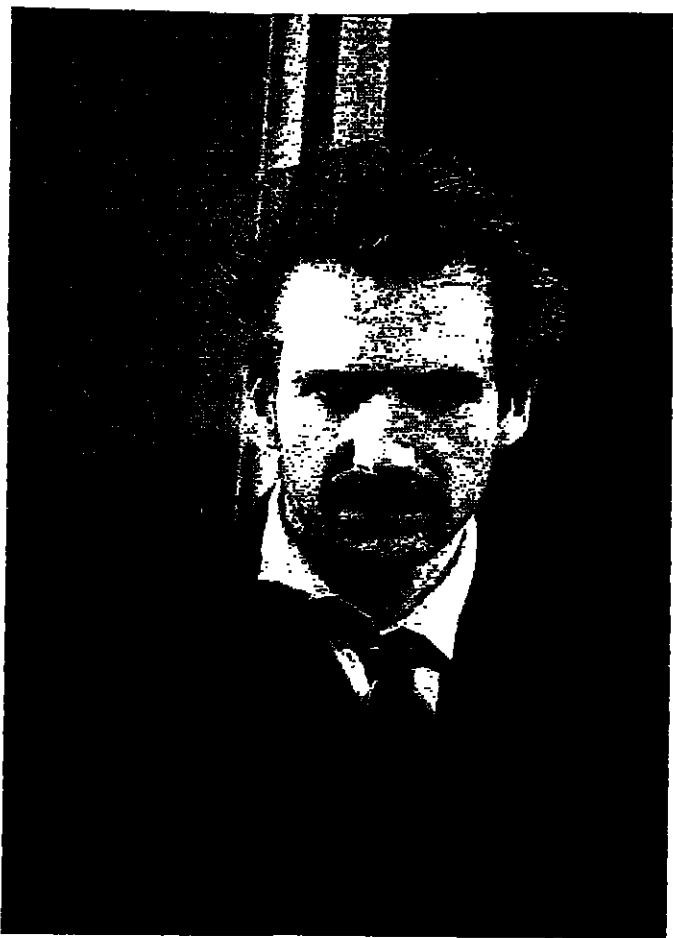
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Star-struck and stimulating

Antony Thorncroft asks why London's small Donmar and Almeida theatres are attracting the big-name actors and the caché



Ralph Fiennes: set the ball rolling at the Almeida in 'Ivanov'

London's theatre has suddenly become star-struck. Currently at the Albery, Dame Diana Rigg is giving her *Phèdre*, while nearby Hollywood's Nicole Kidman (*Mrs Tom Cruise*) is making her West End debut at the Donmar in *The Blue Room*, David Hare's adaptation of *La Ronde*.

But there is much more behind these appearances than packed houses and the West End's new obsession with intellectually stimulating theatre. They personify the, to date, irresistible theatrical success of two tiny theatres, the Donmar and the Almeida, which are setting the British theatrical agenda.

And behind the Donmar and the Almeida lurks Associated Capital Theatres, in theory just theatre owners but in practice producers and investors, and in large part responsible for the West End revival.

The Almeida, in Islington, which created the production of Racine's *Phèdre* at the Albery, and the Donmar, share the key essentials - they are both run by imaginative, risk-taking, artistic directors - Jonathan Kent and Ian McDiarmid at the Almeida, and Sam Mendes at the Donmar; their theatres are trendy and actor-friendly; and they operate on financial tight-rope.

The Donmar, in Covent Garden, is the most financially bereft. *The Blue Room* says it all. It is already a virtual sell-out, with most seats costing a hefty £25. Kidman is appearing for just £250 a week and there is only one other actor, Iain Glen. But the Donmar seats just 250 people. With a production budget of about £200,000, and weekly expenses of about £20,000, *The Blue Room* would need to run for six months to cover its costs. It will play for six weeks.

This is where Caro Newling, the executive director of the Donmar, earns her money. She has interested the big Broadway producer Schubert in the production and it has put £50,000 towards the cost, in the expectation that it will move to New York. There will also be a gala performance of the play, which should raise £30,000. *The Blue Room* will more than wash its face.

Both Newling and Nick Starr, who manages the Almeida, have to battle hard to turn critical acclaim into cash. The most practicable routes are subsidy, appealing to business sponsors and private patrons, and creating a theatrical product which can be marketed elsewhere.

The Almeida has, to date, a slight edge on the Donmar. For a start, it has 50 more seats. But, more vitally, it is a long-term client of the London Arts Board, getting £428,000 a year in subsidy. It has also done well in attracting sponsors, receiving about



Kevin Spacey: a sell-out performance in 'The Iceman Cometh'



Juliette Binoche: in 'Naked', which transferred to Broadway

£600,000 a year, much of it from loyal friend AT&T. In contrast, the Donmar was left in the lurch when its main backer, Mercury, suddenly withdrew its £200,000 a year in aid. It has also had to make a case each year for a subsidy of just £150,000.

However, the Donmar might be about to turn its financial corner. It has just received a glowing Arts Council report and hopes to be taken on as a regular client, with a higher grant, next year. It is also giving up on the fool's gold of securing one big sponsor and is marketing itself, so far successfully, to a posse of business friends through the Directors' Forum, which gives companies access to the Donmar, and its stars, for £10,000 a year, or less. And it is cautiously experimenting with co-productions.

Traditionally, small theatres such as the Donmar and the Almeida earn little when one of their shows hits the big time: new producers carry the risk and take the profit. Mendes's *Cabaret*, which started life at the Donmar, is packing them in on Broadway where it has won many awards. The Donmar will hardly benefit when it moves into profit.

There are plans to return *Cabaret* to a big West End theatre next year, in a £2m production. The Donmar will have an interest in this show and could finally profit from one of its great successes.

For the Donmar has formed Warehouse Productions, in which Associated Capital Theatres (which happens to own the Donmar) has a 50 per cent stake. Newling is optimistic about *Cabaret* because the first Warehouse venture, the double bill of *The Real Inspector Hound* and *Black Comedy*, has had its run extended at the ACT-owned Comedy, and will deliver a little profit.

The theatres have latched on to the new young audience for drama

Two more productions on top of *Cabaret* are planned for 1999 - *Ring Round the Moon* and *Suddenly Last Summer*. The extra income from transfers has allowed the Donmar to acquire a development officer, who will presumably bring in yet more money. The current deficit of £80,000 should melt away if the new drive for sponsors, and the co-productions, remain on target. The expansion plans of the Almeida are built more upon artistic ambition than financial imperatives. The directors are

keen to develop good ideas, even if the finished product does not actually play at the Almeida: *Phèdre* started life at the new Malvern theatre (with which the Almeida has formed a bond) on its way to the Albery and will not call in at Islington.

The popular support for the Donmar and the Almeida has not been lost on ACT, which has eight London theatres to fill. In the past, theatre owners earned their money from rent, letting out their stages to independent producers. Now ACT is investing in plays, especially those that originate at the Almeida and Donmar. It has given the Almeida a special deal on the Albery until next May which involves the cast, including Dame Diana, earning a small weekly wage, but enjoying, along with ACT and the Almeida, a share of the profits.

What both the theatres and ACT have latched on to is the new young audience for drama. The West End is now almost completely sewn up by large-scale musicals or challenging plays: escapist boulevard comedies or traditional thrillers are conspicuously absent.

The achievements of the Almeida and Donmar have been aided by one additional factor - the willingness of movie stars to perform there.

Ralph Fiennes tastes the wide open Almeida stage and plays *Ivanov* there. His friends come to see him and get envious. They fancy a return to real acting, in the theatre, after making their names in movies.

So, soon the Almeida is presenting Kevin Spacey in *The Iceman Cometh*, which secures headlines, sell-out performances, and a West End and Broadway transfer, and Juliette Binoche in *Naked*, which also transfers. Nicole Kidman is appearing at the Donmar because she is a friend of Sam Mendes and a Donmar regular.

To some extent everyone involved with this cult is colluding in an illusion. The big stars can afford to work for a few weeks for a pittance because their next £1m movie role is already staged up. Other actors, on the same wage, could feel a sense of exploitation.

Not all plays do well: in particular, the new writing, which they are obliged to present, has produced more duds than hits. The very smallness of the theatres is perhaps their greatest asset - it gives them a cachet, the audience feels select. What is undeniable is that Sam Mendes, Jonathan Kent and Ian McDiarmid show no desire at all to be tempted away to run big theatres.

They really do believe that small is beautiful.

Water lilies complete with shock value

Victoria Griffith finds Boston's Monet exhibition rises above the hype to offer new insights into the artist's work

Of all the Impressionist artists that make museum turnstiles turn, Claude Monet may be the most popular. His paintings have been reproduced ad infinitum on ties, trivets, tote-bags and T-shirts. Monet images seem to have been imprinted on our brains since childhood. Who cannot conjure up at least a few memories of his works?

Unfortunately, such familiarity runs the danger of breeding contempt, which begs the question of whether "Monet in the 20th Century", opening tomorrow at Boston's Museum of Fine Arts, has anything new to say about an artist many feel they know only too well.

For some, breaking new ground may be beside the point. "Monet in the 20th Century" is an event, and may very well turn out to be

the best attended show of the year in the US. The exhibit, which will move on to London's Royal Academy of Arts in January, has already sold more than 130,000 tickets, to buyers as far away as Japan and Australia. The Boston museum's last Monet run, "Monet in the '90s", organised eight years ago with the Royal Academy, pulled in a crowd of 538,000.

"There are people in my office coming to this who have never set foot in an art museum before," said Alice Fuld, a reporter with the Keene Sentinel, a small-town New Hampshire newspaper. There is tremendous hype surrounding the event, not all of it in the best taste. The museum is sponsoring a Monet Getaway package with Amtrak's train service, and local hotels and restau-

rants. Fleet Bank, the Boston corporate sponsor for the show, has a web site devoted to Monet, including e-mail postcards of the painter's works to send to friends.

'There are people in my office coming to this who have never set foot in an art museum before'

In a display of commercialism that would no doubt have proved mortifying to an artist who controlled so carefully the public's viewing of his art during his life-



'Houses of Parliament, Sunlight Effect' 1903: Boston offers both expected Monets and a few surprises

time, the museum has set aside a large gift room solely for the exhibit. Here, visitors can purchase Monet kaleidoscopes, refrigerator magnets, plates, serviettes, even a Monet "counting" toy.

Yet, despite the show's place in a seemingly endless round of blockbuster Impressionist exhibits, formed for the primary purpose of filling art museums' coffers, "Monet in the 20th Century" has scholarly pretensions. The exhibit lives up to some of them.

The subject matter itself - the artist's later works - is more daring than much of the fare in Impressionist shows. In his advanced years, the French artist was a contemporary of Dali, Matisse and Picasso. He lived to see the rise of avant-garde movements such as Fauvism, Cubism, Dada and Surrealism.

Many of his later paintings seem to flirt with modern abstract art, although much of the impact may be lost once the hall fills with crowds. Perhaps no other artist benefits so much from the juxtaposition of his own works. Paintings that seem so much alike when seen at one museum, then another, are readily distinguished when shown side by side; thus displayed, it becomes easy to appreciate the subtlety that is at the heart of Monet's work.

The later water lily room, with paintings from 1914 to 1919, gives the show some needed shock value. Moving from the Venice paintings, we feel we are viewing a film that has skipped a few reels, so drastic is the change. These are big, bold paint-

ings, with broad strokes and splashes of brilliant colour splattered across outsized canvases. The show ends, in a final flourish, with a collection of the even larger wall works that concluded his career.

In the whole, "Monet in the 20th Century" may not be the revelation its organisers hoped it would be. While some of the works are surprising, much of the fare is familiar. Yet for Monet fans, this should be no obstacle. "Monet in the 20th Century" reminds us that the artist was an innovative painter until his death at the age of 86.

It also gives us a chance to take a thoughtful, if not completely fresh, look at an old friend.

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ARTS

Television / Christopher Dunkley

Embarrassed by the close-up

Given television's reputation as the medium that caters for mass tastes, it is scarcely surprising that there is no difficulty in finding programmes about highly popular cultural forms such as pop music. To put it bluntly, ever since the arrival of commercial broadcasting in 1954, British television has paid plenty of attention to lowbrow tastes – and not only on ITV. The BBC quickly realised the need to compete. More surprisingly, television has also done a fair amount for highbrow tastes. Programmes about Bach or Matisse are not as rare as might be expected from "the idiot's lantern".

Television has tended to fail at precisely the point where you might expect it to be strongest: middlebrow culture. There is nothing new about this. For years BBC radio has happily run the world's most highbrow cultural network, the Third Programme, now called Radio 3, and the Light, now Radio 1, which aims for

mass popularity. Yet the idea of a network offering popular classics, as in France or the US, has been considered anathema. Now the BBC is desperately worried by the success of Classic FM.

Is this because the arts graduates who have run British broadcasting are happy dealing with what they feel should be their own tastes, and happy to serve the admass, but deeply uneasy about the middle class world of Joanna Trollope and Mantovani? Whatever the reason, it is this middle ground which has often been overlooked. Even ITV's *South Bank Show* has tended to do as much about the two extremes as about the centre.

Now BBC2 has begun a Wednesday evening series called *Close Up*, which at

first sight seems ideally suited to righting the balance. The opening programme was about television dramatist Dennis Potter. This week's, subtitled "The People's Painting", sets out to establish the nation's favourite tastes in art. Other editions will deal with Patrick O'Brian, author of the Aubrey/Maturin historical novels, and Radio 4.

It has proved impossible to lay hands on a preview copy of the Radio 4 programme, about which the BBC seems peculiarly sensitive, but having watched several of the others I have to report, somewhat disappointedly, that attitudes hardly seem to have changed. When *Close Up* deals with the cultural artefacts themselves, as in this week's "People's Painting",

a joke containing all the "favourite" constituents: an outdoor scene with lots of blue, animals, and a family group. It seems that those BBC arts graduates are still appalled and embarrassed by middle-

brow taste as manifested in the work of a thousand painting clubs and local summer exhibitions.

Then, when it is obvious that the artefacts are going to be far more difficult to ridicule, as in the case of Potter's dramas or O'Brian's novels, the programmes leap like scalded cats away from the work itself to concentrate, *ad hominem*, on the artists. Thus, with Potter what we were offered was not an over-view of his life's work, which would be feasible given that his life ended early, and that most of his work was for television. We were not even offered a rounded view of the man.

Instead, the programme went for a full-frontal on the one aspect of Potter that has already been probed *ad infinitum* in the printed biographies: his sex life.

Potter's fantasies and agonies concerning sex are interesting, but no more so than his attitudes towards religion or politics. Potter was one of the most significant writers produced by television, and it is distressing to find television so inadequate when it comes to assessing his importance within British culture.

The situation is much the same when it comes to Patrick O'Brian. His 19-novel sequence, beginning with *Master and Commander*, provides a fascinatingly detailed view of 18th century life as seen through the eyes of Jack Aubrey, a captain in the Royal Navy, and his friend Stephen Maturin, surgeon, naturalist and spy.

O'Brian writes about human relationships with as much delicacy, insight and bleak honesty as Jane Austen, and about naval battles

more excitingly and vividly than anyone else. His knowledge of natural history is extraordinary. Taken together his abilities and achievements should put him at the very forefront of English writing today. Instead he is bracketed with C.S. Forester and Hammond Innes because of his subject matter, and largely ignored by the literary world because he is popular.

True, the estimable A.S. Byatt does her best in the programme to convey some of his qualities, but the real effort is put into showing what an old-fashioned and reserved type O'Brian is. Efforts are made to show that he may invent his family background, and we hear about the spin-off industry: the favourite music of Aubrey and Maturin on CD; a Jack Aubrey cookbook; an O'Brian lexicon. By comparison, the actual books go virtually for naught.

But then they are awfully middlebrow, and this is trivially superior British television.

Pride and prizes

Next Thursday, for the 30th time, a shortlist for the Booker Prize for Fiction will be announced. Flattering a few, angering some more, and spawning much newspaper speculation. About £50,000 is likely to be wagered on the judges' decision. The prize (and a cheque for £20,000) will be awarded on October 27 at the conclusion of a lavish dinner. The event will be broadcast live; last year, Channel 4 estimates, 600,000 viewers tuned in.

Watch any prize-giving ceremony with an ungenerous eye and you see pride, envy and the pain of disappointment occupy centre stage. It's all good television. The ceremony is broadcast to promote the prize. And the prize is awarded to promote literary fiction. And to promote the name of Booker plc, the UK's largest wholesale food distributor. Lose sight of the principal aim of the prize (publicity), or confuse it with the business of making literary judgments, and the result is bewilderment and annoyance.

There's plenty of both every year in the UK during the Booker cycle, when prize and process are dismissed as arbitrary, invidious, vulgar. The grumbling is a sign that the promotional strategy is working. So is the boost in bookstore sales. But the yearly Booker controversy echoes only faintly in New York, where the reputation of the prize remains unshaken by squabbles. To US publishers, the Booker sends an unambiguous signal: it is known as a prize that rewards literary merit.

The US has its share of distinguished prizes (the Pulitzer Prize, the National Book Award, the National Book Critics Circle Award), but none has the commercial clout of the Booker. Each of the US prizes is split into several categories – there's a Pulitzer awarded for fiction, non-fiction, history, biography, poetry, and so on. This proliferation muffles the impact; no single prize rivets US readers.

Often a novel will get a big lift from US prizes. In 1992, a National Book Award combined with a National Book Critics Circle Award made a best-seller of Cormack McCarthy's *All the Pretty Horses*. But in other cases, the net gain is hard to gauge. Philip Roth won a Pulitzer last year for *American Pastoral*, but without spectacular results. Charles Frasier's *Cold Mountain* won last year's National Book Award, but the novel was already perched comfortably atop the best-seller list.

When Jane Hamilton's *The Book of Ruth* won the prestigious PEN/Hemingway Award for best first novel in 1999, it sold a modest 7,000 copies. But after Oprah Winfrey chose the novel for a TV book club, a million paperback copies rushed into print. To the US literary, however, Oprah's blessing makes the cash register ring, but it does not bestow distinction.

Americans would like to have it all: a prize that pumps up sales and adds prestige. And that's what they see in the Booker. A monolithic prize that seems to concentrate the attention of Britain's entire reading public. US publishers regularly track every title on the Booker shortlist. Sometimes, if they own the rights to a shortlisted book, they even plan publication to coincide with the award ceremony.

That's what Random House did with the US edition of A.S. Byatt's *Possession*, which went on to sell 100,000 copies in hardcover. Winning the Booker last year smoothed the transatlantic passage of Arundhati Roy's *The God of Small Things*: the hardcover coasted on the New York Times best-seller list for 31 weeks. To appreciate the Booker, you may need to be an ocean away from the judging process.

Adam Begley

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Mirrors with a view on how to stretch and exploit

Jonathan Miller makes much of Reflection at the National Gallery. William Packer surveys his show

As guest curator of the 1998 Esso Exhibition at the National Gallery, Jonathan Miller has most enviably been given the run of the collections of the National Gallery itself, and also the opportunity to bring in significant loans from elsewhere.

His chosen theme is Reflection as it is manifested in painting, drawing and, to some extent, photography, which thread he has been able to draw selectively through the entire canon of European art since the Renaissance, with the odd nod to Japan by the inclusion of Utamaro's elegant couple stooping over a pool of water, and an entertaining digression into anthropology and the early learning processes of children and the higher apes.

His is clearly the rational instinct of list, category and sub-division, of order, analysis and explanation. To him a mystery is something to be penetrated, and all the better in being explained away – or so it would seem from the earnest and exhaustive address with which he attends his subject.

And so he sets out his argument, sub-section by sub-section, from "In, At and Through", "When is a Mirror not a Mirror" and "The Glean in the Eye", through to "Shape from Shining", "Virtual Surfaces", "Self-Recognition" and "Self-Regard".

"Mirrors, like windows, offer us views," he tells us, "but while the space we see through a window is real, what we see in a mirror is a virtual view of something which lies behind us."

It is easy to mock the glaringly obvious, but even the obvious is sometimes worth saying, and the good doctor's curiosity and enthusiasm are

infectious, carrying us along. He gives us something of optics – a little more would perhaps have been useful. He makes practical demonstration of the reflective qualities of surfaces from matt to shiny. He points out that the curved, enlivening highlight in the eye is, in fact, reflection from the cornea, which on close inspection reveals a tiny yet discernible image.

That now conventional split-highlight, the unthinking graphic commonplace of any description of curved and shiny surface, derives, he suggests, from the actual

corneal reflections of window-frames noticed by the early Flemish masters.

He ponders the phenomenon of the invisible plane surface, whether of glass or water, made palpable to the eye by place and function – the horizontal surface of Jan van der Heyden's canal established and made convincing solely by what is reflected in it. He is intrigued by the qualities of shine and sheen, and notices they depend entirely upon their immediate pictorial context.

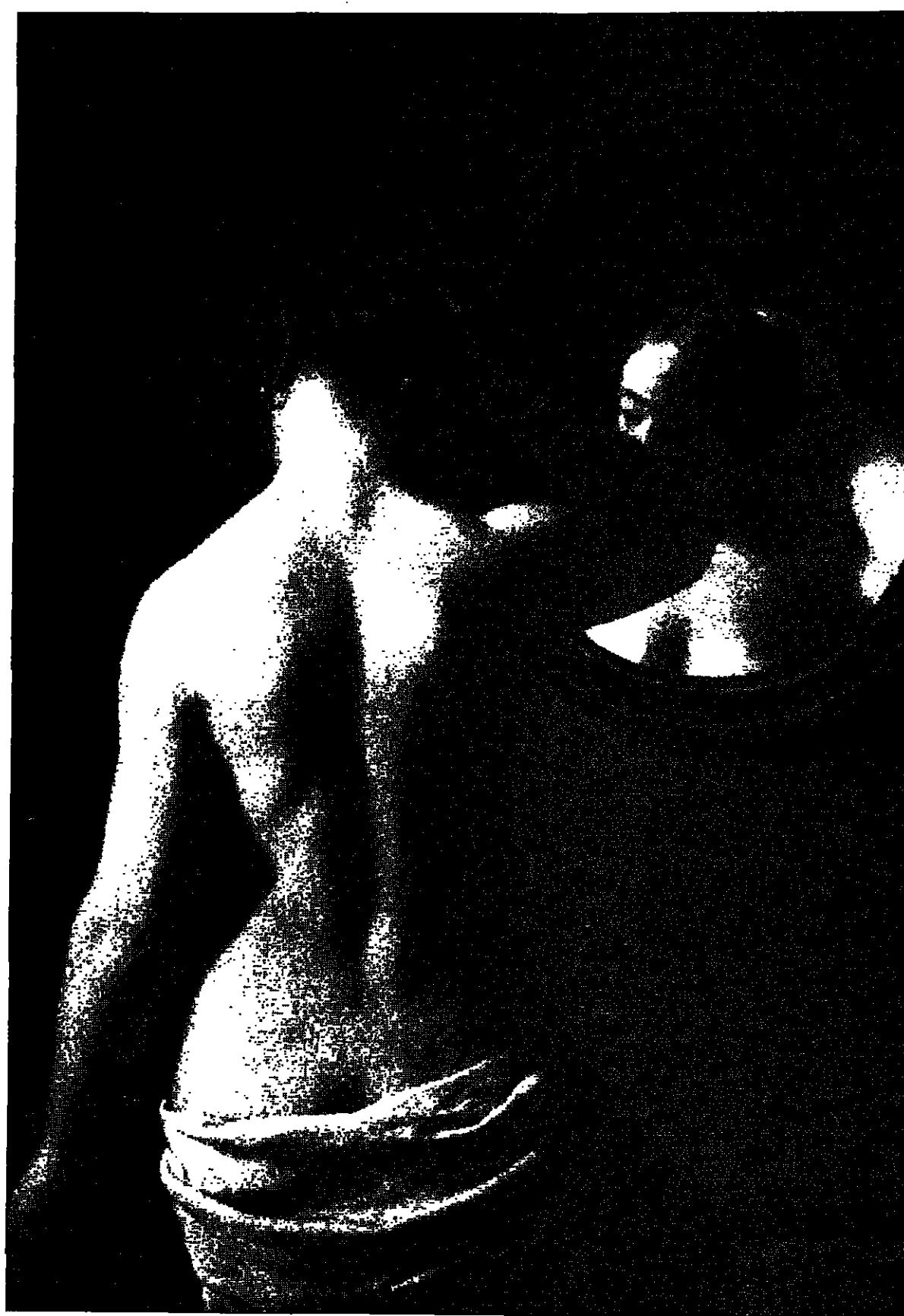
As he demonstrates by the two remarkable paintings by Johann Hummel, of the huge polished granite bowl set up in the Lustgarten in Berlin in 1831, remove the shine

from the surface it animates, or isolate the element of the shine itself, and both immediately go dull. Is that a picture, he is always asking himself, or a looking-glass, or a hole in the wall. There is Jesus in the house of Martha, but where is he quite, in the young Velazquez' great painting of the kitchen maid? Is that really the room beyond, or the reflection of the room behind?

It is at this most practical level of inquiry that Miller is at his most engaging and, persuasive. And if he then, through the rest of it, runs the gamut of more conventional art-historical and iconographical interpretation, he does so by a most refreshingly eclectic and unobnoxious choice of examples.

Here, in a room of self-portraits are Orpen, and a splendidly heroic young Bratby, of all people, to set beside Freud and Reynolds. A magical silvery still-life of William Nicholson stands with Kalf and Menendez. A wistful allegory by Waterhouse, along with Calliebotte, Ingres, Whistler, Matisse and Holman Hunt, gently illumines the idea of another self and another world – "And moving through a mirror clear/ That hangs before her all the year/ Shadows of the world appear".

And if the mirror as the attribute of Prudence and Self-knowledge, of Narcissus and deceptive Self-regard, and of Venus and Mary Magdalene in all their erotic complexity, should seem old hat, the examples given are wonderful none the less: Kroyer's intimate portrait of his young wife, an unattributed 17th century French allegory of Justice and Vanity in the person of a serious, lamp-lit young woman; Velazquez' Rokeby Venus; Bordon's strangely apprehensive Venetian courtesans;



'Woman Before a Mirror' by Christopher Wilhelm Eckersberg: statueque and in good company at London's National Gallery

and Eckersberg's statueque young lady, naked before the mirror, and so much else. But painters have been up to such tricks since painting began. The greater mystery remains, that by laying the physical stuff of paint upon a plane surface, the artist opens up what Miller would call a virtual world beyond, a space informed by light

that is no space at all, just like that other strange world – where on earth is it? Beyond, beneath, within, through the looking-glass? A painting is itself a kind of mirror, the stuff of fancy and illusion, and if the painter should choose to accept the image and function of the mirror within that pictorial space, thereby

reflecting back into it – and so to us – that further world beyond the reflecting glass, then he is merely doing what is at once a most obvious and yet intriguing thing.

He plays with it, stretches and distorts it, takes liberties with it, as he has always done, and grasps and exploits intuitively its implica-

tions. And here, for all Miller's efforts and enthusiasms, are no discoveries and no surprises but the things themselves.

Mirror Image – Jonathan Miller on Reflection: The National Gallery, Trafalgar Square, London WC2, until December 13. Sponsored by Esso UK.

Radio / Martin Hoyle

Saturday night's all right

programme; and Joan Bakewell, whose bland quacking through Hello!-style interviews with long-suffering musicians is no intolerable. (It is rumoured that a famous pianist's *Private Passions* has been shelved because it is "too serious" for Radio 3. When was anything too serious for Radio 3?)

And, of course, the unavoidable James Naughtie. He hosts *Artists' Question Time*, a new Radio 3 series, a sort of *Any Questions* with a panel of musicians. Last Saturday's opener was that rarity at this time of year, a programme from Scotland without a single stand-up comic in it. Heads will roll.

It came from Glasgow and provided the considerable aesthetic and intellectual

pleasure of hearing English articulately spoken with a Scots accent. After an ominously banal start (no less than two stories about socks from composer James MacMillan), it proved pleasant, though in the good old days would have been deemed fitter for Radio 4 than 3. One felt the panel (completed by Margaret Marshall and Iain Burnside) were capable of more serious discussion, and at greater length; but Naughtie nudged them on as if they were procrastinating politicians.

He also irritatingly announced a piece of music by Mumble Mumble, replaying the tape, I discovered it was Harold Noble, whose "Sanctus" was interesting enough to warrant a few words about the composer.

Nary a syllable. Given that the subjects of accessibility and introducing new audiences to serious music formed a perceptible thread, this was both sloppy and illogical.

Naughtie could take a tip from Thomas Sutcliffe who chairs Radio 4's *Saturday Review*. He manages to be both informed and unobtrusive, unlike both Naughtie and his own weekday male colleague. Last week's edition fielded a fresh-sounding, enthusiastic and blessedly coherent team with plenty to say, which made you realise how much TV's *Late Review* is on jaded, navel-gazing autopilot.

The programme followed *Saturday Night Fry*. This fry-up struck me as too rich when it started, and I still find the pyrotechnic fizz of

Stephen Fry's opening rant overwhelming – still, better than being underwhelmed as with so much Radio 4 fare. The programme's tone is now more controlled: one no longer has to grumble ungraciously about too many big names, big minds and big acts crowded into the same small craft.

Fry flung out enough ideas to leave one bemused and, when calmer, actually thinking: John Sessions restrained his equally ebullient talents to a dialogue between the Archbishop of Canterbury and James Joyce.

The whole programme throws up issues that reverberate after the reveals all are ended. It is turning into caviar, or at least the very best

gentleman's relish. It has the quality of the old Third Programme in frivolous mood and could change places with *Artists' Question Time* – except that this would condemn it to dwindling listening figures.

The quality of Saturday listening seems to be rising as surely as the quality of viewing is declining. Robert Robinson's new series, *Divided We Stand*, kicked off with a characteristically quizzical look at correspondence columns in the press over the last century.

In 1915, the Master of Christ's, Cambridge, was much distressed that the clashing forces of the first world war were ravaging good leech country – positive rhapsodies on the blessings brought by the little

blood-suckers made me wonder if Stephen Fry had planted a hoax letter in the script. Fifteen minutes is just right for Robinson; less and he fails to crank up, more and he becomes a juggernaut.

Waste of the week: *Talking Pictures* contacting the English Alex Cox in the US on a very bad line to recommend movies on British television this week. Presumably his location lent him unimpeachable authority.

On *The Food Programme* Derek Cooper talked to an American expert on food fads and phobias and another American about the best cookery book ever – co-authored by the American Julia Childs and aimed at the American public. Next week, Cooper soberly informed us, we will look at the loss of our finest cider-apple trees, connected with some European Union ruling. He wondered about the loss of part of British heritage. There was no irony in his voice.

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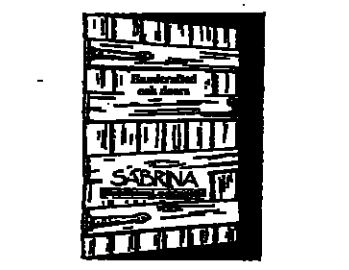
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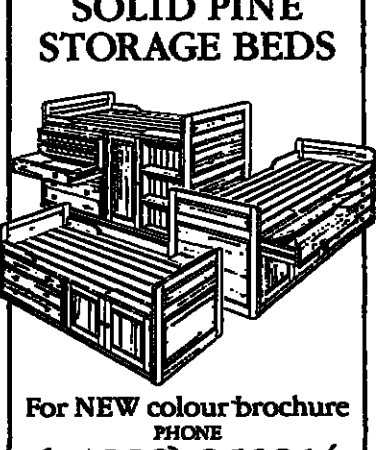
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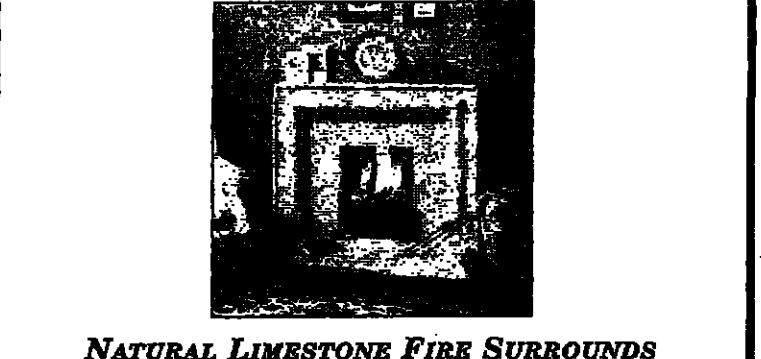


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How to Spend It New York fashion



'Billowy, asymmetrical, crumpled, raw-edged, gauzy layered' - all from Donna Karan

Pictures: Chris Moore

I came, I saw and, finally, I bought

While taking inspiration from the Japanese, US designers still bear their customers in mind. Sarah Mower reports

This is the week to admit - finally - that the fashion system is all out of kilter. The schedule, the shows, the reasoning behind the clothes - very little is making sense. But hold on, we'll get there somehow. This week the fashion community gathered in New York to witness the upending of the international show calendar and to

stare open-mouthed at the US designers' conversion to "Color". Not only is there the shock of seeing pink where once all was black, but just as the stores are all stuffed full of Fall's new grey double-face felted cashmere, it is 90°F out there. The reason we're in New York is that for the first time a group of American designers is showing summer collections before Lon-

don, Milan and Paris. This mini-revolution has been triggered by Helmut Lang, who moved to New York this year from Vienna and threw the Council of Fashion Designers of America into disarray by announcing that it would suit his business better to show in early September rather than wait until the customary November New York slot.

A new arrival in town, Lang says he had no idea of the effect his action would have and took his decision alone - and on the Internet. (You can see Thursday's show next week on www.helmutlang.com.)

What happened next is interesting for observers of fashion's pecking order. Far from being a marginal Austrian outsider, Helmut Lang has grown quietly into one of the world's most-followed designers. Whenever, wherever Helmut shows, all the most powerful editors and buyers will be there.

Now, here he was in New York, saying he'd show to a super-early European schedule. Calvin Klein and Donna Karan immediately announced they would too. "I have my collection ready in the showroom in Milan and half the world sees it before I can show the US editors," Calvin Klein explained this week. "Designers like Donna and me who sell globally are ready weeks before the New York shows. I've been lobbying for this change for years."

So change we have. Unfortunately, this time round anyway, that also leaves the rump of the US designers stranded at the back end of the Spring/Summer schedule.

Still, who cares? From the consumer point of view, which ought (surely?) to matter most, it has, I think, long ceased to matter which



If Donna wasn't doing pink, she was doing white

designers show when or where or for what season.

All a woman really wants from fashion reporting is information - stuff to look at that she can act on now, clues as to what to wear with what, an idea about how she can be herself still, but just a little bit more gorgeous or surprising, or, you know, whatever. And by the way, don't make it difficult, please.

We used to come to the US for just that. You always knew you could look to New York to sort out a system of dressing: that sleek, pared down, virtually seasonless thing that would take you

anywhere feeling right. The term for it is sportswear, the easy but luxurious category of dressing that passed in a continuous tradition from the first great US designers of the 1940s through to the late 1980s, and to Calvin Klein and Donna Karan themselves.

Lately, however, something peculiar has happened. Instead of evolving an update of the greige 1980s powersuit, which they excelled in, American designers started acting as if they were becoming Japanese, Japanese as in bland, but still very non-corporate, versions of what Rei Kawak-

ubo and Yohji Yamamoto pioneered in the early 1980s. We are talking asymmetry, ruffled seams, oddly textured fabrics, unorthodox layerings, bulbous silhouettes. Everything, in fact, that is diametrically opposite to the shining heart of the American aesthetic - the polish, the streamlining, the cleanliness, the sexiness, the modernity.

This week, we are seeing quite a lot more Japanese-derived stuff. At one minor designer's show, which shall remain nameless, my eye strayed on to the notebook of an American fashion editor as some burlap deconstructed dress plodded by. There she had written, out of heaven knows what depths of editorial desperation, the words: "Sexy potato sack".

I don't want to be personal about Donna Karan, but I do tax her with heavy involvement in the Sexy Potato Sack tendency. The two collections she showed this week - DKNY and the main line collection - were all billowy, asymmetrical, crumpled, raw-edged, gauzy layerings with flyaway skirts, flat slippers and not a suit in sight. She showed 72 colours in DKNY and a lot of pink on pink in the main collection.

This from the woman who, in the mid-1980s, bestowed the fashion gift of the decade on her international peer group of rising corporate women: the bodysuit, jacket, jersey skirt and black opaque tights. The all-black wardrobe that literally pulled us together.

Oh Donna, how we loved it. How we lived it. How it got us everywhere we wanted. And how Sexy Potato Sack it was absolutely not.

Her new laser-cut jackets look like a good starting point for millennial tailoring

but I still miss her American roots.

The irony of Helmut Lang's arrival in New York is that he, a foreigner, is working a style seam that is feeding American aesthetics back into the system. As an outsider, he has perspective on the meaning and value of all-American style - jeans, T-shirts, relaxed sexiness.

He shows jeans in his collections, and pieces subtly derived from American army uniforms, and brilliant pant suits. He, too, showed bright pink silk mouseline pieces layered over dresses and T-shirts, but - and this is high praise in these war-torn and nonsensical times - there was also a lot that was unchanged. "I think it is classic really. There's colour there, but in very subtle doses, so it's not vulgar," he said. "But mostly, it's just what we do normally."

Radical classicism could be the way to go now. Sounds about right to me. After all, if you gaze across a catwalk in New York, that is exactly what hits you.

The sight of young American fashion editors in their working uniform is a big reality check for any designer. What they're wearing are knee-length skirts, little fitted shirts, ribbed vests and long brown legs on high heels.

Where are the autumn trends so mightily vaunted in the magazines? The long skirts? The grey on grey? The relentlessly flat shoes? What can I tell you?

Calvin Klein seems to have got this. He's had his Japanese moment, too, but this season's CK line, with its sharp A-line macs, knee-length skirts, blouson jackets and simple tank sweaters, looks very young fashion editor.

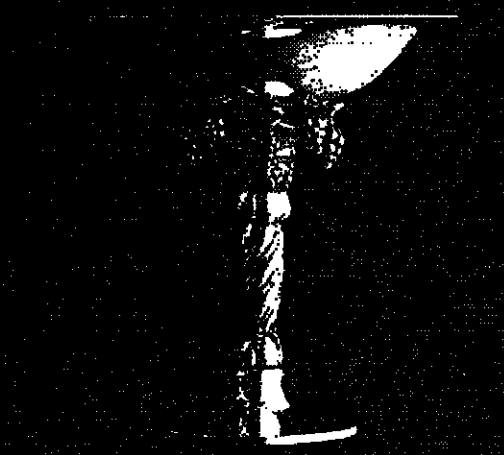
After seeing that, sanity restored, I went shopping. My American editor friends advised me - the smart way to buy now, they said, is high-low. Luxuries with basics, and never, ever pay over the odds on a trend. What you do is your Helmut pants and your Fendi bag and your Manolos, but the rest is, like, Club Monaco.

I got over there quick (to 160 5th Avenue). There I encountered, among a lot of other great stuff, an A-line asymmetrical knee-length skirt. It was pared-down in that American way, but its antecedents were clear. Japanese. Reader, I bought it. Sexy Potato Sack it may be, but here's my excuse: it was £60, not the full designer £600.

Next season, I'm quite sure a lot of women are going to make exactly that choice.

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How to Spend It New York fashion



New York is invaded by the best of British

The design talents of 'Cool Britannia' are making waves on Fifth Avenue, writes Lucia van der Post

It may be now be very uncool to talk of Cool Britannia but let's not quibble. Let's just enjoy the moment when, as far as Saks Fifth Avenue, the American store group, is concerned, everything British has a certain pizzazz, a "nowness", and yes... a "coolness".

Last week Saks celebrated Britain in style. It not only filled 35 of its Fifth Avenue store's windows as well as a considerable proportion of its floor space with wares from cutting-edge designers from the British Isles, it also flew in most of the designers and a troop of journalists to join in the jollifications.

Saks didn't do this just because it made an excuse for a great party (which it did), but, most encouragingly, because it seemed to make sound commercial sense. Given the history of British designers, long

renowned for their talent and creativity, but despised because of their lack of business sense, this has to be a good reason for a party.

Philip B. Miller, chairman and chief executive of Saks Holdings, hasn't got where he is by indulging in extravagant parties without a serious commercial purpose. Encouraged and supported by his buyers and marketing experts, he clearly believes that Britain is in the middle of a creatively golden age.

"Our British promotion is too much of an investment in time and money for us to have embarked on it just for a lark. We are convinced that British designers have something very special to offer. They're very young, unorthodox and bordering on courageous. They're also better balanced than most other designers. They don't think fashion is the epicentre of the universe."

But above all, being a hard-headed publicly owned company, Saks believes it is on to a commercial winner. It has been steadily selling the wares of many of these designers for some time - it tried to buy from Shirin Guild, for example, as long as five years ago, but she wasn't ready until two years ago. Ever since, she has been a steady seller and her inimitable brand of relaxed sophistication can now be found in 17 Saks stores.

Other designers tell the same story: a gentle introduction and then increasing success. But last week's extravaganza was also about Saks wanting to be the first store in the US to deliver what it calls "a cogent, intelligent picture of what contemporary England is all about".

As Philip Miller put it, "we wanted to celebrate their

creativity with as complete a statement as has been made anywhere".

Those are large aims and it would be foolish to say that a little trot down to Saks Fifth Avenue would bring you absolutely up to date with all that culturally adds up to Britain today. But the selection of fashion designers could hardly be bettered - there they are in all their quirky individuality, resolutely refusing to conform to norms and preconceptions of what it means to be a British designer.

The cerebrally cool (Hussein Chalayan), the romantic (the Irish Lainey Keogh's gossamer-fine knits, Helen David's sensuous velvets), the baroque (Julien McDonald's knitwear), the artisanal (Christa Davis's beaded skirts and cardigans, Elspeth Gibson's delicate cardigans and knitwear), the metropolitan sophisticates

(Joseph, Clements Ribeiro), the rock-chick tailor (Antonio Berardi), the hard-edge, modern tailor (Alexander McQueen), the traditional (Burberry, Daks, Holland & Holland) - all are there.

There, too, are the providers of accessories to honour this highly sophisticated take on current fashion: Jimmy Choo and Gina for shoes, Phillip Treacy and Stephen Jones for hats, Anya Hindmarch for bags.

Significantly, there is no Vivienne Westwood and no Voyage, though there is a wonderfully beguiling and romantic selection - beaded gowns, devoré velvet, rhinestone-studded satin jackets, trailing cloaks - from Virginia Bates, the queen of vintage couture.

"No comment," says Nicole Fischelis, vice-president in charge of fashion for Saks, when asked why there

is no Vivienne Westwood. She, though sleekly clad in Saint Laurent for the lunch on the Q&E organised by the Walpole Committee - the body that promotes British luxury products overseas - is generous in her appreciation of British designers.

"They're the world's most free-spirited designers," she believes. "Women today want clothes that are more personalised, that have a strong sense of individuality, and they seem to do this better than almost anybody else."

All this praise, after years of brickbats about their daffy inefficiency, accompanied by a few patronising words of praise acknowledging their creativity, must be balm to British ears. It is also a great chance to translate this golden moment into badly needed funds. When all this quirky individuality is managed by one of the

world's most efficient retailers, with some 55 different outlets, it ought to be a marriage made in heaven.

In July, Saks was bought by Proffitt's, the fourth largest department store chain in the US. It may have been little known but it is cash-rich and has a fat real estate portfolio which should allow it to inject funds into expanding the Saks group.

Of course, the British have become accustomed to being seen as a global creative resource, as street style leaders of the world. They are used to - and almost proud of - what Tyler Brulé, in Time magazine last year, called the "serious cultural pillaging" that has long been a feature of the fashion world. This time round there has been no pillaging. Saks Fifth Avenue is buying and selling the authentic thing, which gives the chosen few a wonderful chance to prove

From left to right:
 □ Julien McDonald's rich baroque jacket
 □ Liz Tilberis, British-born editor of Harper's Bazaar and actress Trudie Styler at the Saks party, both dressed by Alexander McQueen
 □ Phillip B. Miller, chairman and chief executive of Saks Fifth Avenue
 □ Christa Davis's almost artisanal approach to fashion
 □ Lainey Keogh's gossamer knits
 □ Shirin Guild's relaxed sophisticated knits

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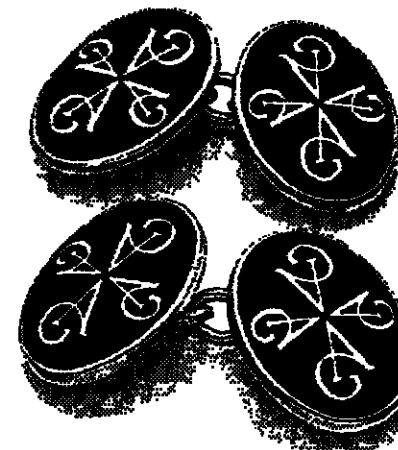


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FOOD AND DRINK

Gordon Ramsay's new venture is super cool, but the food is destined to be a red hot success, says Giles MacDonough

It used to be the case that promising chefs went to France to acquire that final polish which marked them out for the top jobs. Now it seems they go to Australia. In a few short years wondrous alterations have been made to London's culinary scene.

Gordon Ramsay is old-fashioned from this point of view. He did a full three years, the length of a degree course, in excellent Parisian kitchens. His first mentor was Guy Savoy, the owner of a much admired two-star; then he went one better and spent 10 months with a modern legend - one who has now sadly hung up his toque - Joël Robuchon.

Ramsay became a celebrity on his return. His Aubergine was a tiny restaurant off London's Fulham Road famous for the length of its waiting list. Those who were lucky enough to get a table came back awestruck; they spoke about Ramsay's now famous "cappuccino" of haricot beans; his treatment of scallops; a beef dish involving ox tails which has now, for obvious reasons, been struck from the repertoire; and the *crème brûlée* with pressed Granny Smith apples. Their enthusiasm was shared by the Michelin Inspectors, who handed out first one, then another precious star.

Now Ramsay has abandoned Aubergine to become his own boss at "Gordon Ramsay", on a Chelsea site long associated with Pierre Koffmann's three-star Tante Claire. The opening of the new London restaurant last week was the big event of the season, possibly of the year.

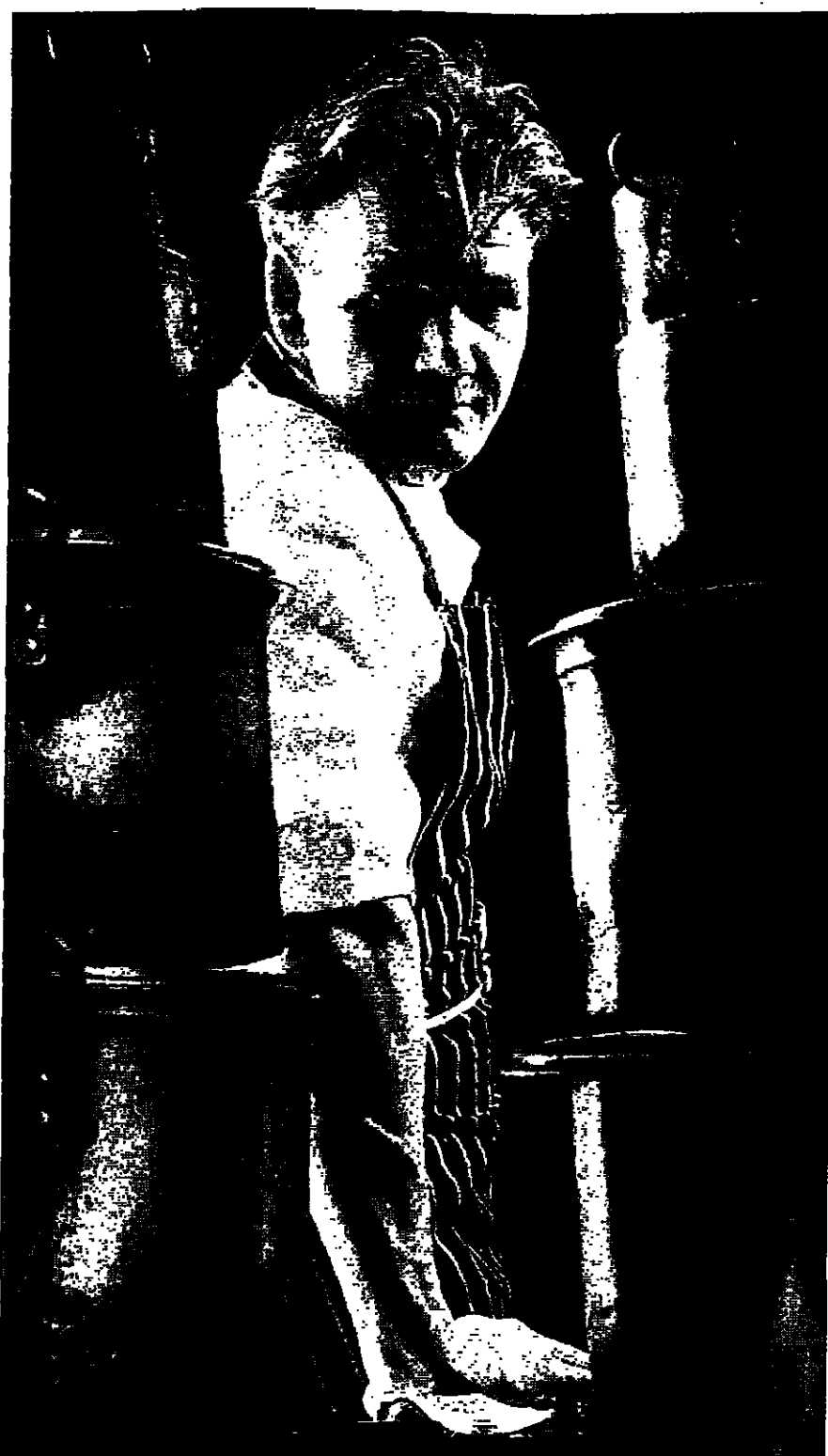
Ramsay has a tough act to follow, but he makes light of it. For those familiar with Koffmann's restaurant, the change at the helm is instantly apparent from the temperature of the redecorated dining room. "Pierre used to have the air-conditioning on at one, I have set it at seven," said Ramsay. My companion's teeth chattered as she ordered a whisky and looked for sympathy among the women in skimpy dresses.

I had some Laurent Perrier rosé as I took up the menu. Lots of things have been carried over from Aubergine, including a few of the syntactical mistakes which made the last menu amusing: roasted this and roasted that.

At least Ramsay is consistent. I have seen fish listed as roast and roasted on the same list, and floundered for an explanation.

Ramsay's "cappuccino" is a modification of a Robuchon classic. Robuchon, who did not allude to coffee, made it much chunkier, with plenty of beans and big, identifiable chunks of truffle, bacon and a quail's egg at the bottom. Ramsay's is light and fluffy, contains a few beans and fewer grogols, and smells of truffle oil.

Truffles cropped up again and again. This does not worry me much. I love truffles. But September is not a great time for truffles, and they tend to be a bit tired



Gordon Ramsay: already rattling the pots and pans at his new restaurant

Anthony Blake Photo Library

Fireworks for the chattering classes

and lacking in aroma until the big, black *melanosporum* come on stream around Christmas. Another signature dish which performs a walk-on role in a number of recipes is *foie gras*. Ramsay's has always been spectacularly good and there were no complaints about its appearance in the slices of pig's trotter along with a few sweetbreads, even if the chef himself thought he could do better, and was bringing in the team on their day off to retune the recipe.

I ate excellent scallops, served with tiny little cauliflower fritters spiked with curry powder. Another impressive conception was a large lobster *raviole* paddling in basil purée and a concentrated lobster bisque.

A Bresse pigeon bathing in cep stock was greeted with disappointment. The mushrooms were having trouble making their presence felt, although there was high praise for stuffed cabbage which came with it. I had some rich, caramelised sweetbreads coated with sliced veal kidneys with a port sauce and more crispy

truffle disks. The dish benefited from the counterpoint of a Côte Rôtie from the largely French wine list.

A perfectly deformed, wanton-looking Epouisses made the cheese board hard to resist. The real fireworks began with dessert. Ramsay betrays his ambition to land his third star here. In other restaurants of this ilk, puddings come in waves, like infantry attacks. A prune and amaretto ice was followed by some amusing "cornettes" which arrived on a painter's palette flanked by an edible paint brush.

A tart, or rather tartelette Tatin was my partner's choice, and that *crème brûlée* was mine. It was the first time I had tried the dish. The sour apple juice acts as a foil to the cream, which is studded with slices of dried apple. Superb sweet macaroons and chocolate followed.

A sweet Vouvray came from the same Loire Valley as André, the sommelier. Elsewhere the service occasionally bordered on the obsequious. It was a change from Koffmann's time when frigidity was the name of the game. Maybe this warmth was designed to counter the effects of the hyperactive air-conditioning?

Joking apart, Ramsay will certainly get it right fast, and I have every confidence that he will rectify the one or two tiny infelicities in the kitchen; teething problems of this sort are legion in the first week of an important new restaurant, and we know enough about Ramsay to say that he is a consummate professional.

Whether the site will prove lucky for him and he achieves his third star is also too early to tell, but "Gordon Ramsay" is the

very model of a French restaurant, and this is wise: as yet, the Michelin Guide has failed to recognise the ascendancy of the Australians.

Information: Gordon Ramsay, 66-69 Royal Hospital Road, London, SW3; tel 0171-352 4441. Menus at £25 (lunch only), £50 and £65 (dinner only), excluding wine and service.

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Cookery

Delicate, sappy and at their best now

Philippa Davenport picks some zingy recipes for the courgette glut

Warm temperatures, some sunshine and lashings of rain in the UK have combined to make courgettes grow fast and furiously over the past few weeks. Prices have fallen sharply. Green grocers are practically giving them away. Pick-your-own farms and farm shops welcome courgette buyers with open arms. Such is the glut in Wiltshire that, any day now, I expect to see cardboard boxes of courgettes at garden gates, alongside boxes of windfall apples with hand-written "help yourself" notices.

Freshness is all in courgettes. Their delicate sappy green flavour depends on it. If stale, the vegetable is a flabby and tasteless disappointment.

And few flowers will more quickly. The great advantage of growing your own is that you can pick within minutes of eating, while those who live close to a good pick-your-own farm can benefit from ultra-fresh produce without the labour of growing it.

There are only three courgette plants in my garden but every day a handful of young courgettes is ready to harvest and a few trumpet yellow-gold flowers as well. Forget to gather them one day and, by the next, they have turned into semi-marrows and rotting brown blossoms.

The Italians, who know a thing or two about courgettes, or *zucchini*, invariably choose the male flowers for cooking. These are easily distinguished from the female flowers by the long thin stalks on which they grow. It is regarded as wasteful to cook the female flowers (identified by the fact that they carry their baby courgette fruitlets behind them) because the blossoms tend to fade before the courgettes have grown more than an inch or two long. Apart from committing infanticide in culling them that young, any vegetable so juvenile sadly lacks flavour.

If you ask nicely, the request for a bunch of courgettes flowers is unlikely to be refused by an enterprising p-y-o farm. You may even be allowed to pick a modest bouquet for free now and then if you agree to pollinate a few young female flowers, an easy task.

Courgette flowers make decorative mouthfuls in their own right, and are of course a natural garnish for courgette recipes. Classicists will want to stuff them with ricotta cheese, Parmigiano

and pine nuts or courgette mousse for baking or steaming, or to dip them in batter and deep-fry them.

I am not that nimble-fingered and do not much care for deep-fat frying. Instead, I simply dust the flowers with well-seasoned flour and shallow fry them until lightly frazzled. If there are enough, I serve them as part of an antipasto with shiny-sweet, boot-button-black Taggiasca olives, smooth slices of buffalo mozzarella cheese and fillets of salt anchovy, a pleasing contrast of textures and tastes, hot and cold.

Alternatively, I scatter the crisp golden petals confetti over courgette risotto or orzo, or float it on a courgette soup seasoned with basil and Parmigiano, or use it to finish any simple courgette salad or vegetable dish.

Anyone who grows, or is tempted to grow, courgettes or other members of the increasingly popular squash tribe, may like to take note of a new book, *Pumpkins & Squashes* by Janet Macdonald (Grub Street, £17.99). This offers useful propagation and decoration tips as well as all manner of recipes, with the courgette selection running from courgette and cucumber mousse via courgette pickle to an American courgette and chocolate cake.

Harvesting hints include a warning about the sticky clear liquid exuded by cut courgettes ends, illustrated by the sad tale of how the author once ruined a good jumper by holding the hem of it and using it to carry a load of courgettes back to the house.

I was intrigued by Macdonald's recommendation to cook courgette tips or *cime di zucchini*, an idea new to me. The tips are apparently harvested by thrifty growers in Italy and sold in markets when the onset of cold weather causes the plants to cease production. She says that the tips of any squash plant can be used, but courgettes are best as they boast generous bunches of embryonic fruits and leaves. Pick-your-own establishments

obliging enough to supply keen cooks with courgette flowers may also be willing to let you gather the tips before the plants are pulled up at the end of the season.

Another Italian trick, not mentioned in Macdonald's book so far as I could see, but worth passing on, is the practice of cutting courgettes into sticks rather than rounds for cooking. Sticks are arguably prettier than rounds and there is a practical advantage. Cutting the vegetable lengthways reveals the centre. If this is seedy, as it may be if the courgettes are slightly larger and older than you would wish, the core can be removed and discarded



neatly and easily, leaving no trace of imperfection to spoil the eating.

Handfuls or more of fresh courgettes coming into the kitchen daily keep the cook on his or her toes. Often I find the simplest cooking solutions are the best.

Simplest of all is to lightly steam very small courgettes (for how long depends on circumference) then slit them lengthways in half without cutting them right through, and stuff them with shivers of butter aromatised with finely torn basil leaves and freshly toasted and ground coriander seed.

Also excellent are courgette sticks (150g is about right to serve two people) tossed in very hot, fruity olive oil in a pan for a few seconds, then reduce the heat to medium-slow and cook, shaking the pan once or twice until the vegetable is done to your liking and tinged with gold. (The pan should be large enough to take the courgette sticks

more or less in a single layer, and it should contain enough oil to film the bottom generously.) Add say, 20 torn basil leaves, remove from the flame and toss until the herbs are wilted, then season parsimoniously with salt, pepper and the merest drip of balsamic vinegar.

For something richer, steam 150g courgette sticks for two minutes to warm them and take the raw edge off them. Meanwhile, heat a small gratin dish or couple of *oeuf sur le plat* dishes under the grill. Pat the courgettes dry, put them into the dish(es) and immediately pour on 75ml double or whipping cream seasoned with 3 tpsps freshly grated Parmigiano-Reggiano and a grinding of black pepper.

Mix everything together and spread the sauced courgettes evenly in the dish(es). Grill for five minutes until the cheese sauce is bubbling and blistered with gold. Sprinkle dry breadcrumbs over the top and return to the grill until toasted - just 50 to 60 seconds.

Finally, for a taste of Macdonald's book, here is her suggestion for crispy courgettes, Neapolitan style. Cut six large courgettes lengthways into thin slices (ideally using a mixture of green and gold courgettes).

Spread them out on a tray, cover with a clean tea towel and put them out in the sun for several hours to dry. Or spread them on baking trays and dry them in a very cool oven for about one hour.

Heat 10cm depth of olive oil in a large pan and fry the courgette slices, a few at a time, until golden brown. Drain on plenty of kitchen paper. When all are cooked, put them on a flat serving dish and sprinkle them first with four tablespoons balsamic vinegar, then with two finely chopped garlic cloves mixed with six to eight freshly chopped sprigs of mint, and finally with coarse sea salt.

Leave them for 3-4 hours in a cool place to absorb flavours before serving.

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TRAVEL

Today Giles MacDonogh starts a series on small but smart hotels, with a look at London's chic, bijou and very comfortable Halkin

London is particularly well off for grand hotels. Visitors have plenty of old palaces to choose from: the Ritz, the Dorchester, Claridges, the Savoy, the Hyde Park, the Connaught - all represent something of the old school. Elsewhere many grand hotels have been blighted by "management systems" and "portion control".

Not everyone, however, appreciates the formal style of a grand hotel. Many people are now looking for greater discretion, a more intimate scale or a racier, more modern atmosphere. For obvious reasons, Paris used to excel in its chic, small hotels, but as London gets louchier it might be catching up.

The Halkin, tucked away behind Knightsbridge, is well under a decade old. The hotel was built to order, sunk behind a sober, slightly warehouse-like facade in a quiet street between Belgrave Square and Grosvenor Gardens in Belgravia.

As soon as you cross the threshold, the style of the place becomes apparent. Suddenly you are in northern Italy, more specifically, Milan. There is a long foyer where people, far too smartly dressed to be British, mull over their coffees, and a small, tidy bar dispenses glasses of Roederer champagne. The rest of the ground floor seems to be taken up by the restaurant.

At the beginning, the Italian style was more muted. I remember the opening. The original chef was Paul Gayler, an Essex-born purveyor of French classicism who rapidly migrated to the Lanesborough when that was launched a few weeks



The restaurant at the Halkin: as soon as you cross the threshold the style of the place becomes apparent - suddenly you are in northern Italy

Baby Grand

Belgravia's Italian job

later. It was only then that the Halkin's kitchens were over-run by Italians, but they have been there ever since.

In its second incarnation, the Halkin's restaurant was overseen by Gualtiero Marchesi from the Albereta near Milan, one of the most famous names in Italian cooking. He installed chef Stefano Cavallini. The Albereta connection has now been scrapped, but Cavallini is still at the helm, only now doing his own thing, which he calls *la cucina essenziale*. I am an admirer of Caval-

lini. Good Italian cooking is still thin on the ground in London, which continues to be hamstrung by the British food which was created by south Italian immigrants in the 1950s. Not only are menus still dominated by unappetising combinations of veal, tomatoes and cheese, but the elaborate Italian course structure is simplified, meaning that we heretics are content to eat pasta as a main course.

There should not be any danger of that at the Halkin, where the food is in a style of contemporary Italian

which seems joyfully oblivious to the years of post-war British austerity.

A memorable recent meal featured some rabbit saddle stuffed with sage and olives (but perversely served with boring snow peas); some understated aubergine and *tagliatelle ravioli* dressed in melted butter and crushed pine kernels; a very flavourful some veal kidney with spinach, steeped in garlic; some milk-fed lamb with an artichoke and thyme purée and cauliflower ravioli; and an interesting *crème brûlée* enhanced with amaretto.

If I have a small criticism of Cavallini's cooking, it is of his salting: he uses too little, possibly because salt has become a dirty word. Cooking without salt is hardly desirable, however, and salting well is an art in itself.

The wine list is naturally weighted towards Italy. It is represented by the sommelier, Bruno Besa, one of the Halkin's trump cards. He is among those rare stewards you are happy to let choose, knowing that what he brings will be interesting, and not merely what is fashionable and expensive.

I have eaten at the Halkin several times, but until recently I had never slept there. The rooms continue the Italian, designer theme. I slept on the fifth floor, under the mansard roof. There was a small antechamber which led into a long room decorated with stained wood and mirrors. The exterior wall curved gently, meeting the ceiling with a baroque flourish, a little like a treble clef.

A portfolio of fashion designs lay on the table, and some truly execrable CDs had been placed beside a record-player. From a huge

white bed topped by a similarly Brobdingnagian headboard, a control panel allowed you to operate the many gadgets without stretching your legs.

Possibly the room's best feature was the black, white and grey marble bathroom with its majestic tub. The whole room was of a size you could splash around in - no portion-control there.

Information: The Halkin, 5 Halkin Street, London SW1X 7DJ; tel 0171-333 1000. Doubles from £255. A la carte with wine £70, menus £25 (lunch), £55 (dinner).

update

MOON SHADOW:

Next August 11, a total eclipse of the sun cuts across Europe. Bridge Travel (01992-456 049) promises to find you rooms along the Path of Totality, from Le Havre to Munich. In England, the path will stretch from the Isles of Scilly to Devon; many hotels are booked already, but RAC Hotel Reservations (0870-603 9109) can still find you a spot. It will probably be cloudy in England though, sniff the Austrians, so come and see it in the Alps: stay in Salzburg with First Choice (0870-754 2754). Or you could watch it at sea on a cruise with Fred Olsen's *Black Prince*; on-board lecturer will be Walter Cunningham, who's orbited the earth 163 times. Tel: 01473-292222. Land or sea, it won't happen in Europe again until 2080.

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هك ان النمل

Battle with the boards is set to begin

Arnie Wilson says snowboarding versus skiing is sure to be a controversy again this season

Bored with skiing? About to defect to a snowboard? If so, you will welcome this year's flood of board-with-skiing brochures.

Snowboarding's takeover of the slopes seems set to continue this winter with more companies offering both snowboard and skiing packages.

Some, however, seem to be staging a last stand: Ski Scott Dunn and Simply Ski, two of the smaller but most up-market operators, have bravely established the most snowboard-free zones in brochureland.

When asked whether Ski Scott Dunn's eagerly awaited brochure - it has won awards for the past two years - mentioned snowboarding, Andrew Dunn, managing director, said: "I don't think we do. I don't think we even mention it once."

Likewise, if Simply Ski is hoping to attract snowboarders, it may need to admit that they exist. The company proudly offers holidays "for the discerning skier" and its brochure has no photographs of boarders and scarcely even a mention of the word "snowboard".

Simply Ski, however, denies that its name should be taken to mean "skiers only".

The snowboarding phenomenon continues to perplex brochure writers. Many have been forced to adopt unwieldy names. It was so simple when it was just Ski The American Dream. Now its brochure cover is "Ski and Snowboard Canada and America". No doubt we shall have to reinvent skiing nomenclature. Anyone for "après board"?

Airtours, one of the biggest ski operators, makes no reference to boarding on its cover, but its commitment inside the brochure is unequivocal: there are no fewer than 26 photographs of boarders.

By contrast, Lotus-Supertravel's brochure has pictures of 46 people wearing the company's yellow and orange tartan fleeces. None is a boarder.

Mark Warner, celebrating its 25th anniversary in the Alps during 2000, has only one solitary, but powerful, image of a snowboarder.

Between them, the two companies will dominate the British market but plan to keep both products with separate brochures.

Swiss Travel Service celebrates its 50th with a special programme. Interski, which runs its own ski school in Italy, celebrates 15 years as Courmayeur and La Thuille specialist with brochure nostalgia which includes a picture of Colin McIntosh, its managing director, looking substantially slimmer in 1983.

Taking a leaf as it were, from Interski's brochure, Le Ski, the chalet holiday specialist in Courchevel 1650, has solved the problem of providing ski "guides" or hosts in France, where such a service has almost petered out because of animosity from local ski schools.

Le Ski has neatly sidestepped the problem by starting its own ski school. Equity Total Ski and Snowboard, the Italian specialist, tells us that "there's no such thing as a bad holiday in our brochure". This is perhaps why one of its clients, a "Mrs E.C. from Leeds" writes: "I have even told my ex-husband about your company. Normally I don't even speak to him."

Presumably there is no such thing as a bad holiday with Master Ski Christian Holidays either. The company quotes a study in North Carolina which has revealed the benefits of faith in lowering blood pressure. This would seem to give strength to its promise of "combining spiritual refreshment with the physical stimulation of a MasterSki holiday in the French Alps".

Ski Spirit, a small company specialising in child care on the slopes, continues to print honest comments from clients. This year's brochure includes: "My nine-year-old was bored in Snow Club" and "Evening meal good but porridge often cold."

Similarly, we have to wait until page 61 of the newly-launched British Airways Holidays Ski The World brochure for the only photograph of a boarder in action. Waymark, the cross-country specialists - also celebrating a quarter of a century - has none, but then cross-country snowboarding has yet to take off.

This year's brochures celebrate more than just a sprinkling of anniversaries. Thomson Ski and Snowboard celebrates its 25th year with an expensive birthday present, having acquired its biggest rival, Crystal.

One company prints clients' honest comments: 'Evening meal good but porridge often cold'



care on the slopes, continues to print honest comments from clients. This year's brochure includes: "My nine-year-old was bored in Snow Club" and "Evening meal good but porridge often cold."

Full marks to Ski Independence, the US specialist, for having the courage to ditch what were often almost meaningless trail maps from its brochure.

Another innovation, to encourage brand loyalty, is to write welcome home letters to clients on their return from the slopes.

Panorama Ski & Snowboard has devised special logos to indicate whether your resort and/or accommodation are likely to be

action-packed (young and lively) or peaceful (quiet life). I could only find one "quiet life" logo. Make a note of the Bonnell & Pirneu Apartments in Soldeu, where mixed drinks are served in dog bowls and a recommended dish is the French poodle brie sandwich. Sierra at Tahoe has announced that "children do not need to be potty-trained to attend the day-care centre".

Most improved brochure - out of all recognition - is that of Ski Safari, which specialises in Canada. The shocking pink cover will stop you in your tracks.

FlexiSki's brochure gets glossier by the year, and Elegant Resorts Luxury Ski Holidays can hardly fail to produce a brochure worthy of its product.

In my view the most amusing brochure, and a pretty one, is once again produced by YSE, which specialises in chalets in Val d'Isère.

My favourite cover this year is Ingham's, but best overall brochures, not for the first time, are Ski Scott Dunn's and the Ski Company's. Classy, in different ways, their sumptuous images and glossy design are worthy of a coffee-table book.

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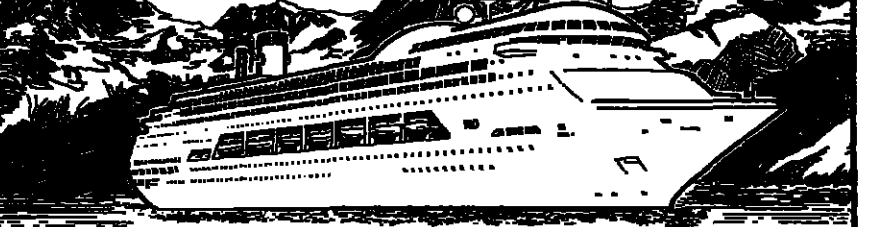
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TRAVEL

Deep in the forest something stirred...

Michael J Woods finds a friendly fairytale forest in Poland that would have made a fitting home for Robin Hood and his merry men

Pass through the heavy oaken gate into the strict nature reserve in Poland's Bialowieza Forest National Park and you step back in time. This is a fairy tale forest, the Wildwood of 7,000 years ago. Oak, ash, lime, spruce and hornbeam soar to 130ft (40 metres) and more, cathedral pillars of trees, branchless until they form the canopy far above.

"Some people come expecting the eerily dark taiga forest they have in Russia, but Bialowieza is not like that," my guide, Slawek Marczuk, remarked. (Entry to the reserve without a guide is forbidden). Marczuk added: "Bialowieza is a Robin Hood forest." He is right, it is not a forbidding atmosphere - it is a friendly place.

One of the most unusual aspects of the strict nature reserve is the amount of timber on the ground. Ever since the national park was established in 1932 trees have been allowed to lie where they fell, except across tracks and paths when they are hand-sawn and dragged clear by horses. No powered machinery is allowed. A dead oak may last for 100 years and soon acquires a wonderful hanging garden of mosses, soft woodland grasses, small flowers and mysterious fungi.

As a result of this deliberate non-intervention there are some 4,000 fungi in the forest. "It is a Noah's Ark," declared Bogdan Jaroszewicz, the park's natural history museum curator. Everything - from fungi to lynx and bison - which requires a forest habitat is to be found in Bialowieza. Most species arrived when the forest was part of a much larger continuum - and now they are trapped in its isolated splendour.

Bialowieza is probably most famous because it is home to Europe's largest remaining herd of free-ranging bison. They were exterminated in 1919 but a reintroduction programme using zoo stock was begun in 1929. The herd is now maintained at about 260 animals. Ironically, being grazers, they prefer to live in the forest which lies outside the national park because the felling of trees leaves clearings where grass can grow for a while. The captive animals in the Bison Reserve close to Bialowieza village enable you to appreciate the size of Europe's largest land mammal. Certainly they could give you a nasty nudge. Bialowieza Forest covers 800 sq miles (1,500 sq km) but only 40 per cent is in Poland. I say 'only' but it still means travelling through continuous forest for a minimum



Bialowieza Forest: not eerily dark, but a friendly Robin Hood-type wood

General information

- Michael Woods flew from London's Heathrow airport to Warsaw with LOT Polish National Airlines who fly to the capital up to three times daily from £149 plus tax (0171-580 5037).
- He stayed at the Hotel PTTK in Bialowieza, a building converted from Tsar Nicholas II's stable block (+48 85 68 12505).
- The Polish National Tourist Office is at 310-312 Regent Street, London W1R 6AJ (0171-580 6668).
- Wildlife tours to Poland are organised by Naturetrek 01962-733051 and Cygnus Wildlife 01548-856178.
- Entering the strict nature reserve without a guide is forbidden and there are only about 10 English-speaking guides. He was guided by Slawek Marczuk, fax: +48 85 68 12766; Bogdan Jaroszewicz, tel: +48 85 68 12688 and Mieczyslaw Piotrowski, tel: +48 85 68 12382.
- A coalition of environmental groups is pressing the government to alter the status of the exploited forest and create a national park at Bialowieza. For more information contact Bialowieza Forest Protection Society (TOPB), ul. Waszkiewiczza 1b, 17-230 Bialowieza, Poland



of 12 miles in order to reach Bialowieza village.

Of the 230 sq miles in Poland, the national park is limited to just a sixth and only part of that is strict nature reserve. The remainder is exploited or cut forest, unprotected and still containing a significant but declining number of soaring old growth trees which are gradually being cut. The remaining 60 per cent is in Belarus where it has been

protected as the State National Park Belovezhskaya Puscha. These two national parks were given Unesco world heritage site status in 1992, one of a handful of European trans-frontier sites. It was not until I met Wlodek Jedrzejewski, from the Mammal Research Institute based within the park, who, with his wife, Bogusia, studies wolves and lynx, that I realised how precarious is the wolf's position and alongside

it, that of the unprotected forest. I did not expect to see any wolves because they are generally nocturnal, remarkably cautious and secretive but there was no mistaking the pungent droppings that I found in the reserve nor the deep scratch marks scored by a wolf staking out the boundary of his territory.

When Jedrzejewski started work there in 1994, there were two wolf packs and a total of 12



What a hoot: almost everything which requires a forest habitat is to be found in Bialowieza

wolves. Now there are 22 animals and four packs with an emergent fifth. Only one of these packs occupies the national park, the rest live in the exploited forest. But poaching is on the increase and a rise in the wild boar population last year led to more snares being put down. As a result four wolves were accidentally caught.

Without national park status, action is down to foresters and a hard-pressed police force, who do their best to apprehend offenders in the villages. Across the border in Belarus, in spite of the forest's national park status, wolf-hunting is still allowed, presumably because it is a highly remunerative activity. But wolf packs are no respecters of frontiers and the Jedrzejewski's successes are helping to feed the guns of wealthy

western Europeans.

One obvious solution to part of the problem is to designate the whole of Poland's Bialowieza forest as national park, especially while there is still old forest to be preserved, for it would help both the wolves and the trees.

A campaign, co-ordinated by the Bialowieza Forest Protection Society, has been running in Poland since 1995 and opinion is gradually swinging in its favour. There is opposition, however, especially in Bialowieza village, and among foresters who can see only uncertainty and job losses.

However, as the Reverend Mieczyslaw Piotrowski, a Baptist pastor and forest guide, explained: "We have to change with the times and there will be lots of opportunities from tour-

ism. The forest must be protected."

There are already more academics and researchers in this area than in any other place in Poland and Wlodek Jedrzejewski can see a university being established to work in what is a wonderful open air laboratory.

The strict nature reserve is much more than a scientific resource though. Following barely discernible animal trails and walking in to the depths of the forest, it was not difficult to see why Middle Europe has been the setting for so many fairy stories.

But to be able to walk into a properly conserved Polish Bialowieza Forest National Park - or, better still, a co-operatively managed trans-frontier one - would be a fairy tale come true.

City Break / Zagreb

Not quite this, not quite that, quite enigmatic

The Croatian capital boasts no buskers and no gift shops - but Antony Thorncroft likes it

National costume is worn everywhere in Zagreb - the chequered red and white shirt of the Croatian soccer team, which, by taking third place in the World Cup, brought this seven-year-old nation, at least fleetingly, to global attention.

It also brought its population on to the streets. As the decisive match against Holland progressed, the lugubrious waiter in the terraced restaurant beside the cathedral got ever more excited, retreating to the kitchens for long periods only to appear, arms waving, at each Croatian goal.

After the match, and for the next 24 hours, cars were driven by the horn, trams trailed national flags, and local television erupted with patriotic fervour.

It was the baptism of a nation. But if Croatia is now more than a name, few can point unerringly to this former chunk of old Yugoslavia on a map. Fingers might linger over its coastal strip, from Rovinj to Dubrovnik down the jagged Adriatic coast, which has attracted holidaymakers since the Emperor Diocletian built his summer palace at Split, but the capital, Zagreb, is decidedly off the tourist track.

Under wooded hills, it exists firmly in *Mittel Eur-*

opa, its people restrained and purposeful, its architecture solid and enduring. Zagreb is a not-quite sort of town - not quite German, not quite Polish, not quite Hungarian. There is little of the Mediterranean in its atmosphere, apart from the hot summer sun which quickly dispels the mists that descend from the high

Zagreb does not embrace the visitor, but there is no feeling of rejection

land to the north. It has no great monuments, no must-sees, no bizarre traditions. Yet its very absence of a sense of place makes it an enigma.

Zagreb is not geared to tourists, which makes it endearing for a weekend break. There are no open top buses clogging its streets; no buskers; no gift shops; no restaurants have to be discovered, and when located the adventure has only just started. Croatian is not the most easily read of languages, but usually a waiter will speak some English and guide you through the menu towards the charcoal grills that are a legacy of Croatia's

embrace the visitor, but there is no feeling of rejection.

If Zagreb lacks excitement it is surprisingly attractive. The old town in the foothills divides into two: the cathedral and monastic buildings on one side, the administrative heart of Zagreb on the other. The government is rapidly creating a sense of national identity by renovating the medieval cathedral, and inventing traditions for the people. Watching the soldiers in their red hussars' uniforms change guard outside St Mark's Church takes you back immediately to Ruritania. The surrounding streets, crowded with smartened up 17th century palaces, give the impression of permanence and power. Zagreb looks important; it has a past.

Cutting through the old town are three narrow thoroughfares, crowded with cafés. Here the affluent, quiet, locals drink coffee under canopies, while recorded music plays. No food is available: in fact restaurants have to be discovered, and when located the adventure has only just started. Croatian is not the most easily read of languages, but usually a waiter will speak some English and guide you through the menu towards the charcoal grills that are a legacy of Croatia's



Zagreb is there to be explored. It does not embrace the visitor, but there is no feeling of rejection

past as Europe's outer bastion against the Ottomans.

The food is good and cheap; the wine is local and cheaper. Any doubts about quality are dispersed at the Dolac market where, under bright red umbrellas, produce from the rich countryside around Zagreb, is sold in profusion. Dolac is just above Trg bana Jelacic, the main square, where a statue of an old Croatian hero, sword extended, has been brought back to replace the short-lived Marxist totems. The square marks the heart of Zagreb - dividing the old town from the

remarkable late 19th century flowering of the city. As a loyal part of the Austro-Hungarian empire Zagreb had a golden age which ended abruptly in 1914. Grand buildings, decorated with imperial eagles and sculpted gods, line two extensive swatches of parkland, which descend towards the monumental railway station.

Their stucco might be peeling; their confidence eroded. In the parks are museums, the national theatre, and pavilions. In the evening the elderly walk their dogs in scenes which evoke a gracious, secure

Europe before the curtain came down on empires.

Zagreb is a city of museums; but many of them will be closed for restoration. It is a city of culture; but the palatial national theatre is quiet during the summer. Guide-books are scarce and quaint. But Zagreb is not boring. If you tire of walking, take the trams, which cost about 40p for an hour's travel.

They take you down 19th century avenues where you can glimpse red-tiled houses with latticed windows and walled gardens, suggesting Turkish seclusion, and

grander mansions, with wide courtyards and imperial pretensions. The Croats adapted to foreign rulers for their entire history. They are emerging into their own world with a cosmopolitan, picturesque, challenging capital.

And if you get bored with sitting at a café watching this world, the countryside is half an hour away by bus - Samobar, a quiet village where the vineyards start; Medvedgrad, with its 13th century castle perched on a hill; or Maksimir, a park within walking distance of the town centre which soon

gives way to countryside and hills. At its centre is a late 18th century pavilion, gracious despite its coverings of graffiti. It is a good symbol of Zagreb, elegant but introspective.

Antony Thorncroft travelled to Zagreb on a Travel-scene Family Short Holiday Break (0181-427 3800). He stayed at the five-star Hotel Esplanade, where a two-night break starts from £319 per person, based on two people sharing a twin-bedded room. Prices include return scheduled flights, bed and breakfast, taxes, and return transfer to the hotel.

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bad and
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GARDENING

Gardening

The good, the bad and the dismissable

We should trust excellent nurseries to conserve the best plants, says Robin Lane Fox

Gardens in the 1990s differ above all from gardens in the 1980s by the range of plants which we can grow. Some of the best have come from collections abroad, especially now that China is open again and collectors are no longer obsessed with rhododendrons. Others have been bred, noticed in amateur gardens or arisen by accident. We are now much better at preserving and propagating them.

In the past 15 years, matters have been transformed by the NCCPG, the National Council for the Conservation of Plants and Gardens. At the local level, its groups run excellent sales of plants and occasional summit meetings, visiting the outback like opera companies on tour.

This Sunday, from 11am to 5pm, perhaps the most successful summit meeting will be based round the distinctive Monksilver Nursery, Oakington Road, Cottenham, Cambridge.

Monksilver will send you a catalogue for six first-class stamps and will amaze you by the range of rarities in the list. Mail order continues through the season, but I have never been successful in visiting this botanical Mecca because it opens only on Fridays and Saturdays between March 1 and June 30. For that reason alone, the open day would be extremely attractive.

Monksilver is run by Joe Sharman and Alan Leslie who are at the heart of the exchange and increase of

excellent unfamiliar plants and particular jewels in the conservation galaxy. On Sunday, they are bringing together nurseries run on like-minded principles. Visitors have a chance to see the range from Sarastro Nursery in Austria, from Un Jardin du Cottage from Vosges, a glorious import of Frangula, hitherto unknown to me but widely respected in France.

These nurseries often turn up with unusual modern forms of hardy border plants and ever more grasses for those of you who want the prairie look. On Sunday, they will be accompanied by certain English favourites, including Washfield Nursery, run by the matchless eye of Elizabeth Strangman, and the rare plants and bulbs of Kath Dryden, best known to exhibitors as the supreme amateur cultivator of challenging and almost ungraspable alpine.

Trees will be represented by Bluebell Nursery from Derbyshire and another which I sometimes mention, Madrona Nursery, Pluckley Road, Bethersden, Kent. Madrona is named after the American strawberry tree, the wonderful large-leaved *Arbutus menziesii*, an essential tree for a mild arbore-

tum but impossible outdoors in the Cotswolds. Plants of all styles and shapes, including bulbs, are on offer.

This corner of the FT is in two minds about the conservation movement. In 1986, that great professional gardener and botanist, Chris Brickell, published a long lament entitled *The Vanishing Garden*, in which he listed all sorts of old garden varieties and complained that they had almost completely disappeared. One of his laments concerned little-known named forms of hardy scabious, lost to the trade since the 1920s.

Arthur Hellyer reviewed the book in this paper with majestic authority. He remarked that some of the plants which Brickell was mourning had so richly deserved to vanish. He recorded how he had looked after these particular types of scabious in his early years while working at a Sussex nursery. He knew their failings first-hand and dismissed them as a miserable collection of varieties whose main aim was to dwindle away. If they had disappeared, we were better off without them.

Do we really need to conserve everything? Somewhere, perhaps, we do, just as we certainly need copies of every published book or journal, however rubbishy they seem to us now. Today's written rubbish tomorrow's source for social history in ways we cannot now imagine. Ideally, we ought to have a plant or two or the Hellyer memorial scabious, but we should not then go on to argue that



Schizostylis coccinea Zeal Salmon: nurseries have produced excellent introductions in this family

Garden Picture Library

they are by definition better because they are older or rarer. Gardeners do not have to bother with them, although it is fun to have them around.

Summit meetings like

Monksilver's are so good because so many of the participating nurseries are run by owners who have the most discriminating eye. I defend their ability to recognise which plants are better

than others. The spectrum is wide and covers many aspects, but it certainly exists and is shaded from excellent to awful, however much we may disagree about the limits between particular

shades and hands. I have only to look at my September garden to be grateful for the selections of these particular growers.

Almost all of us grow crocuses nowadays, but the

participating nursery which sold me one from the old Malahide nursery in Ireland deserves its reputation. The plant is vigorous and its flowers are wonderfully impressive, a mixture of gold and orange on arching stems, two plants of which light up an entire flowerbed.

Even more of us grow hardy geraniums, but a collector's classic is *Geranium wallchianum* Syabru. It has dark green leaves and the brightest flowers of a really pure magenta, born on a spreading carpet. It was found in Nepal and is named after a Sherpa village. Magenta is a colour which many people suspect, but this plant distinguishes the better from the ordinary. The colour is wonderfully clear and clarity matters more than its exact composition. I much prefer a clear

With a dahlia, you more or less know what you will get, unless it is kept dry

magenta to a muddy blue.

Collectors' plants have a way of putting on special displays. With a dahlia, you more or less know what you will get, unless it is kept too dry. The Kaffir Lily, or *schizostylis*, is another matter. Experts used to tell me that it would only grow well in damp soil and that I should never bother with it. It does not mind a poor soil, but what it needs above all is plenty of water in May and June if it is to flower freely.

Schizostylis is a family in which many conservation nurseries and collections have produced revivals, selections and excellent introductions. This year, my plants of this classic family are flowering as I never remember before. The extra cost for extra good varieties is worth every penny.

This year, May and June were wonderfully wet and the stars in this particular family are living up to it, exactly as the connoisseurs believed they would. It is a lovely moment when knowledge and the connoisseurs' selection coincide and come out right.

Hedging your bets

Sam Holland is not keen on larchlap fencing

Fencing panels should come with a warning: "Over-indulgence can seriously damage your street cred". Even a compost area can be more tastefully screened, but to erect these eyesores in full view of the passing public is courting censure. If Batesman were alive he would have a field day with "The man who... bought larchlap".

The drawback to what seems to be the ultimate barrier to snoopers, wind and mongrels is its tendency to fall apart after a few years, and its effect on nearby vegetation. The former process can be hastened by placing the base in direct contact with the soil - a point in its favour, I suppose - but hardly what you lay out your money for.

As for the second, panels are frequently erected adjacent to a newly planted hedge with the intention of removing them once the hedge is grown. Upon eventual disintegration/removal you have - what? A one-sided hedge which may or may not grow out, according to type.

Wind tunnel experiments show that the extent of the turbulence created on the lee side of an impermeable barrier is up to six times its height, so your tall herbaceous plants can expect conditions more usually enjoyed on a British seaside holiday.

All of which suggests that if you must have a screen, it should be a semi-permeable one which filters wind and light rather than baffles them. A low wicket fence springs to mind; or what the Americans call "hit-and-miss" - vertical boards fixed to alternate sides of posts and horizontal rails.

Field-grown trees and hedging are lifted and despatched by nurserymen from November, but if you are contemplating alterations in the garden in autumn, now is the time to order your own living, breathing, growing, ever-changing, semi-permeable, low maintenance, cross-fertilising, humus-producing, environmentally correct, home-to-thousands hedge. If a committee of scientists met for 1,000 years to find a

suitable screen which fulfilled all the above requirements, they couldn't find a better answer than yew, box, hornbeam and beech.

"Oh, but it takes such a long time to mature, to get anywhere," the cry goes up. Well, yes, rather like pensions and space travel, cathedrals and children; we don't forget them just because they won't be ready by Tuesday week.

But you can give your plants the best possible start by preparing the ground properly. I have, where the conditions dictated, planted a hedge using a two-man, petrol-driven auger with which I bored out 9in wide holes, 3ft deep and 18in apart, with complete success.

Better, where the length of run and depth of pocket suggest, is to dig out a trench using a mini-excavator - the tracked version, not a vertically challenged navvie - backfill to half the depth with decayed vegetable matter and a handful of bonemeal

per yard, and spread the roots wide at the recommended depth and planting distances. At this stage, I prefer to continue backfilling with a hosepipe to ensure the roots are in contact with the soil. Then I go and have a cup of tea.

By the time I come back the water will have drained through and I can complete the backfill with boot and shovel. If the hedge is deciduous, prune from one-third to one-half off the height, and continue to cut this proportion off the new growth each July or August to encourage bushiness at ground level. Box or yew need no such encouragement, and their leaders should not be cut until they are 6in higher than the ultimate desired height.

If you mulch and water your hedge, and keep it weed-free during the early years, success is assured. And while you are waiting for the hire company's transporter to arrive, why not use the excavator to dig a small pond, or knock down that concrete garage... Hours of fun for just £100 a day.

A new mansion for £16.5m

At £16.5m, the most astonishing aspect of Bakeham House is not its price, but the fact that it is new. Little remains beyond the footprint of the previous Bakeham Estate house, which was owned by the Sobell family.

What does remain is the mature parkland, with its lake, lodge house and beautiful trees, now a backdrop for a state-of-the-art mansion.

The new Bakeham has almost every imaginable feature, from staff call buttons to a film-screening system in the library. There are indoor and outdoor swimming pools, a folly, a summer house and an orangery. There is a games room, a gym and a sauna.

The main bedroom suite not only has a salon, two dressing rooms and two bathrooms, but two bedrooms as well. There are six more suites, plus staff quar-



Bakeham: state of the art

ters and a number of cottages in the grounds. It lies just four miles from Ascot and eight miles from Heathrow Airport in the most sought-after area for country houses in England. Where most new properties will have only a large garden, it has 180 acres of land.

There are bigger properties on the market: Mentmore Towers, one of England's best known stately homes, has five state rooms and 50 bedrooms. But with a guide price now reduced to £7m-£10m, it could be had for about half the price of Bakeham.

The problem with Mentmore and most other grand English country houses is that they are not adapted for modern living, whereas Bakeham, in terms of security, heating and lighting systems, is custom-built.

Rupert Bradstock, of the buying agency Property Vision, sees its uniqueness and the quality of its finish as the key to its value. "If somebody wants a house like Bakeham, they cannot say they would rather wait until next year, because there won't be another like it," he points out. "It's not like buying a big house in Kensington, where, if you miss out, there is certain to be another on the market."

Buyers for this kind of property in the Ascot area have traditionally come from the US and the Middle East. Rupert Sweeting, of the selling agents, Knight Frank, believes Bakeham, which has been developed by a continental team, could

sell to any nationality. One of the few comparable houses was the Old Rectory in Chelsea, a former vicarage, which was expanded into a 25,000 sq ft mansion. That sold for £22m in early 1995 to a Greek shipping family.

If Bakeham goes for its asking price, it will be one of 1998's biggest house sales. The only house - as opposed to estate - which has sold for more this year was Aubrey House in Kensington, another one-off, which went for £20m.

Bakeham's biggest disadvantage is that it is coming to the market just as the top end is feeling the effects of the world's financial wobbles - there are even fewer potential buyers around with £16.5m in their pockets than usual.

Anne Spackman

For more on property, see separate 14-page section

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New Homes Supplement 1998

Saturday October 17

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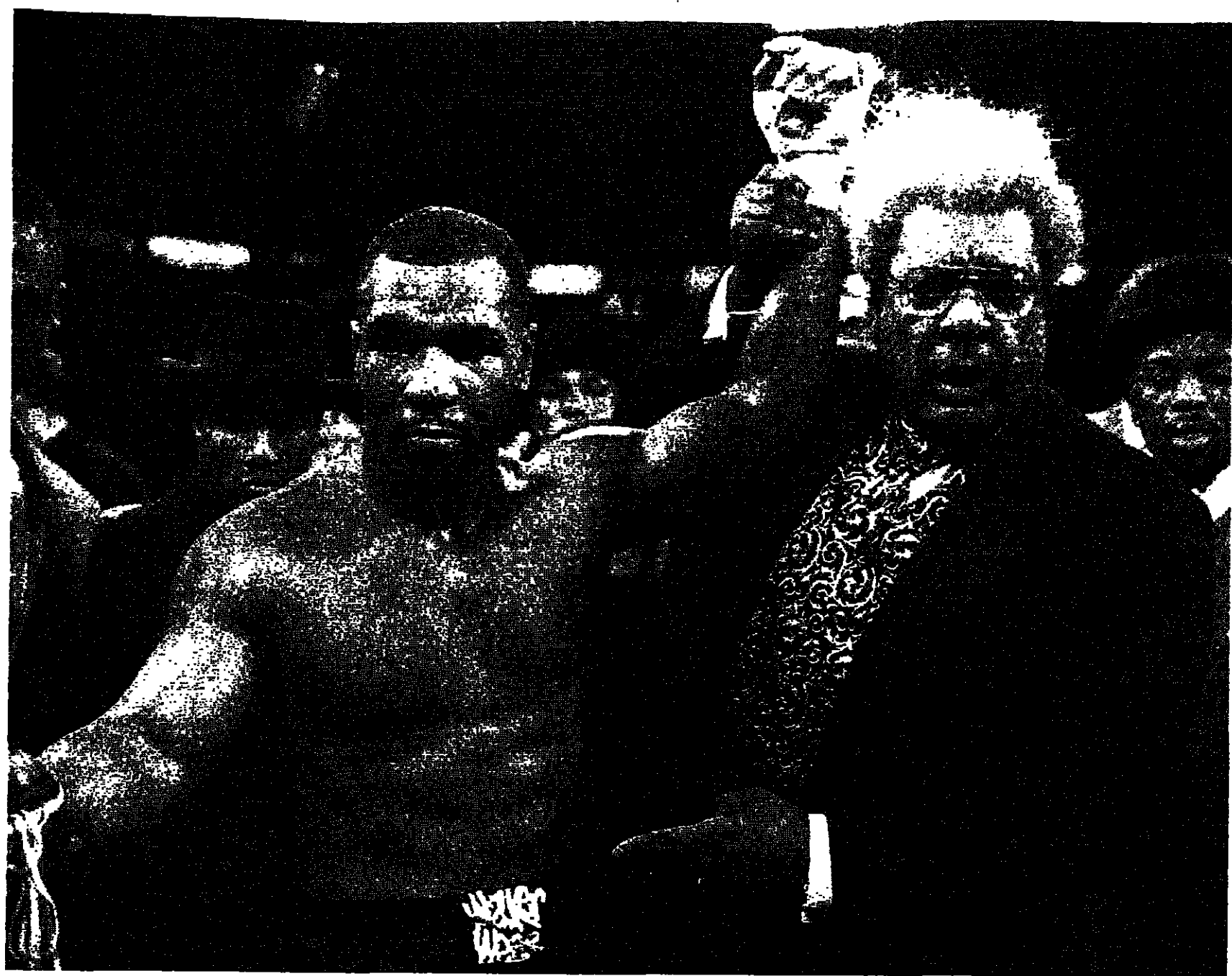
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SPORT/MOTORING



Mike Tyson and promoter Don King celebrate Tyson's victory over Buster Mathis Jr in 1995. Tyson is now bringing a \$100m lawsuit against King alleging 'fraud and negligence'

Boxing

Survivor at the ringside

Promoter Don King's ability to roll with the punches may be tested again, says Harry Mullan

This morning, Mike Tyson attempts to persuade the Nevada State Athletic Commission that, against a mounting body of evidence, he is a fit and proper person to hold a professional boxing licence. If he succeeds, his current financial crisis evaporates at a stroke, since he has recently signed a \$33m (£20m) contract with the Showtime pay-per-view company to screen his comeback. If he fails, the career which once promised greatness and sporting immortality will instead end in ignominy.

Proceedings in Las Vegas will be closely monitored by another deeply interested party, his estranged promoter Don King. Tyson has filed a \$100m suit against his former Svengali, claiming that King blatantly stole from him and mismanaged his affairs. Last week, the Internal Revenue Service placed a lien of \$6m on Tyson's mansion in Connecticut against unpaid taxes, while he claims to be "cash-poor".

This, remember, is a fighter who grossed \$57m in 1997 alone, and whose gross for the six-fight comeback which ended when he bit a jump out of Evander Holyfield's ear in their rematch in June 1997 was about \$140m.

The split with King came in January, when Tyson was so outraged to find that he still owed \$7m in unpaid taxes that there was a physical confrontation between the pair in the Hotel Bel Air in Los Angeles, when he

allegedly kicked the promoter several times in the face.

Prompted perhaps by his new wife Monica Turner, a doctor, Tyson sacked his two so-called managers, Rory Holloway and John Horne, widely perceived as figureheads for King. They had each received \$4.3m from King when Tyson was released from jail in 1985, and collected an additional 10 per cent each in "managerial fee" from his purses, although their managerial responsibilities were minimal. Their former client is now bringing a separate \$100m action against them, charging "fraud, negligence and breach of fiduciary duty".

Tyson's lawsuit against King claims that King took \$45m for himself from the purses, plus an unspecified seven-figure promotional fee; that he used his control over Tyson to generate hugely favourable deals with Showtime and Fox TV, without sharing the benefits with the fighter; that he also used his involvement to enrich himself with "site fees" (paid by a venue to the promoter in return for bringing an attractive match there) and \$27.5m worth of shares in the MGM Grand in Las Vegas, where most of the comeback fights were held; and that the MGM paid King a \$15m advance, which all went to Don King Productions.

Tyson was also required to pay "consultancy fees" to King's family members, as well as being responsible for all expenses including travel, security and even fees for King's recent legal

battle against fraud charges involving Lloyd's of London, which ended in his acquittal in July.

While the amounts involved make this case more remarkable than most, it is a fair example of the inherently exploitative relationship between fighter and promoter in the modern boxing

In the business world such a conflict of interest would be condemned as unethical

world. The role of manager has effectively ceased to exist, since the careers of virtually all significant boxers are now locked into exclusive promotional deals with one of the major players. The boxer's earnings are subject to the promoter's largesse, in that the more he pays the boxer (over whom he has effectively assumed managerial responsibility) the less profit margin remains for himself. In the business world such a conflict of interest would rightly be condemned as unethical, but boxing has always played by its own buccannery rules and standards.

King refined and perfected the

"option clause" contract, under which a boxer would only be granted a world title chance provided he signed away a specified number of championship defenses to the promoter in return for predetermined purses. King used it to tie up Tyson, and claims he still has contractual control of the former champion.

Tyson was mesmerised by King in those early days of their lopsided partnership, and I remember observing at the time how he would trail around in King's exuberant wake like a dancing bear on the leash of an Elizabethan showman. Ancient history now, but while Tyson may secure some degree of justice from his civil case against his former mentor, there is little prospect of criminal charges ensuing.

The "Teflon Don" nickname, indicating the authorities' inability to make charges stick, proved inappropriate when applied to the New York Mafia boss John Gotti. But it fits King perfectly, and after his July acquittal he is effectively immune from further prosecutions. The total cost of the failed attempts to put him back behind bars is estimated at over \$40m, and further expenditure is unlikely ever to be authorised, however compelling the evidence might appear.

This was the third serious attempt to nail him, after a large-scale tax evasion trial ended in King's acquittal and a taken sentence for his secretary, King celebrated by flying the entire jury to London as his guests for the Frank Bruno v Tim Witherspoon

WBA heavyweight title fight at Wembley. This summer's trial was a rehearsal of a case which had collapsed in 1996, but there had been a strong feeling that, second time around, his luck might run out.

That would certainly have been a neat solution for his competitors in one of the toughest and most ruthless areas in sport. The 67-year-old King has no ready-made successor in the event of his departure or death, and the fallout from a conviction would have been massive.

Until their acrimonious split it had been widely assumed that London promoter Frank Warren was his heir apparent, and such a move would have made a lot of sense. They have much in common, sharing the same broad vision of the sport and the combination of nerve and instinct needed to make gambles pay off, but perhaps their very similarity was at the root of their feud.

King's most serious challenger continues to be Bob Arum, the one-time tax lawyer who has been his most bitter and consistent rival since King's emergence in the early 1970s. The third force in major American promoting, the New Jersey-based Main Events group, which belongs to the Duva family, has been able to capitalise on King's distractions by seducing into its camp one of his star attractions, the IBF welterweight champion Felix Trinidad. But King will survive: after nearly 30 years at the top, he has learned how to roll with the punches.

Football

Playing with politics

Vietnam finds soccer a game worth celebrating, writes Jonathan Birchall

Along Dien Bien Phu Street the motor-bikes streamed by, through the warm Hanoi night, down to Ba Dinh Square and Ho Chi Minh's mausoleum, and out along the West Lake, a river of small Hondas and Suzukis driven by young men in red headbands and red T-shirts, girlfriends on the back waving red and gold Vietnamese flags, weaving to and fro while the traffic police looked on. "Vietnam Vo Dich", it said on the head bands. "Vietnam Champions".

Vietnam (population 76m) had just lost 1-0 to Singapore (population 3m) in the finals of a regional soccer competition few people outside south-east Asia have ever heard of. But last month in Hanoi, after the final game of the 1998 Asian Football Federation Tiger Cup, it was cause enough for frenetic celebration, with thousands of people taking to the streets of the Vietnamese capital.

"We are all keen on football," admits former prime minister and senior Communist party adviser Vo Van Kiet, "from the very highest levels of the party general secretary and the prime minister down. We believe in the future of football in Vietnam, and we hope that our national team will regain its international standing, at least in the region."

The Tiger Cup was Vietnam's most recent opportunity to prove that it can indeed become a regional soccer power, despite being listed only 98th on FIFA's table of world rankings. When Indonesia dropped out as host of the event, due to its political and economic problems, Vietnam promptly stepped up to the ball, despite having to spend \$600,000 (\$384,000) on a new electronic scoreboard and the upgrading of two ramshackle 20,000-seat stadiums in Hanoi and Ho Chi Minh City.

But to the country's communist leadership the money must have seemed well spent, particularly given the happy timing of the event with Vietnam's usually low-key national day celebrations. The opening ceremony at Hanoi's main stadium in late August had viewers glued to their television sets across the country, to witness the sort of spectacle the government wouldn't normally be able to afford. Red banners, elegant squadrons of young women in traditional dress and flag-waving soldiers paraded beneath a smiling picture of Ho Chi Minh, while a frantic crowd chanted "Viet NAM, Viet NAM" with manic intensity. "The Tiger Cup finals... is a great international sports event in our country," boomed the loudspeakers. "To celebrate the August revolution and the national day."

In all, six top leaders turned up at the opening ceremony, including Phan Van Khai, the prime minister, and Do Muoi, the former party general secretary. Each received a rapturous reception from a packed crowd as they were introduced on the giant screen, the images broadcast live across the country and across south-east Asia. "Usually, you might get one or maybe two leaders at a sports event," observed a Vietnamese friend. "But six? They are using it for... for advertising."

The party was clearly concerned that the advertising be good. Each match had triple the normal police presence inside the stadium, with helmeted paramilitary police watching the crowd with their backs to the pitch. Riot police were also stand-by in the city centre after every game, with reinforcements deployed around the Singaporean embassy building in the centre of town after that unfortunate defeat in the finals.

After all, soccer, not politics, is the cause most likely to provide a rallying point. Three years ago, after Vietnam lost to Thailand in another regional soccer competition, fans in Ho Chi Minh City fought running battles with the police in the city centre and stoned the Thai consulate. And last season, Vietnam's domestic league witnessed several minor riots, including an incident in the provincial town of Vinh, when angry fans stoned visiting members of the Army Club, knocking one of them unconscious. "Hooliganism is a concern," admitted Mai Van Muon, the Vietnam Football Federation's chairman, "not only for the public at large, but for the government."

Potential violence is not the only threat to the Vietnamese game.

South-east Asia has achieved an international reputation as a place where the bookies, not the players, tend to call the shots. Match-fixing is an area where even socialist Vietnam has developed a considerable degree of expertise.

Last year, for example, the captain of the Hanoi police team was suspended after booting the ball into the back of his own net, in an apparent bid to adjust the score to the satisfaction of the bookies. "Suspensions were further aroused," reported the English language Vietnam News in its match report, "when an assistant coach and several players cried after the own goal was scored." The resulting public outcry led to a wider investigation of the league by the VFF, and eventually to the suspension of two national players and a number of team officials.

Teams in Vietnam are backed by government agencies or local provincial government, institutions which already have a questionable reputation for probity. So when the VFF announced it had discovered evidence of further match-rigging by the Saigon Customs, and by police teams in Baiphong and Ho Chi Minh City, the only surprise was that no one was surprised.

But such embarrassments aside, the Tiger Cup seems to have further convinced Vietnam's political leaders that football is a game worth playing. On the Monday after their defeat in the finals, the national team was again on the front pages of the Vietnamese press, with the team and its trainers receiving a "certificate of excellence" for their performance from the prime minister. In December, they will be in action again, this time in the soccer tournament of the Asian Games in Thailand. And after the games, regardless of the result, the motor-bikes and the red flags will again stream through the streets of Hanoi and Ho Chi Minh City, while the riot police stand quietly by.

Motoring

The time for Skoda jokes is over

The new models - VW quality at a discount - do not deserve ridicule, says Stuart Marshall

For Skoda, the jokes are over. No longer is it the butt of TV comedies' witticisms (sample: What do you call a Skoda convert? Answer: A skip). Now the marque is known for its no-nonsense Felicia family cars which are cheap, reliable and offer top value to motorists with modest expectations.

With the arrival of the new Octavia 5-door hatchback, Skoda moved well upmarket. The model name is not new. The first Octavia was a sad machine, dating back to the 1930s and sold mainly in the car-starved eastern block, until the 1960s. New Octavia - its estate car version goes on sale in Britain next week - is a very good product; so good it can lock horns with

the top family-cum-fleet sellers from household name manufacturers like Ford, Vauxhall and Renault, and it has to be said, with other Volkswagen Group brands. This is a piquant situation. It was VW that single-handedly lifted Skoda from the doldrums into being a mainstream manufacturer and now controls the company.

A Skoda Octavia TDI SLX hatchback I used for a week recently had the same 110-horsepower, 1.9-litre direct-injection turbo-diesel as the Passat SE TDI automatic

estate I normally drive. I thought it a practical and pleasing family car and, at £16,499, very good value.

Compared with the Passat, its seats were harder and it had key-operated, not electronic, remotely controlled central locking - did I hear someone say "One thing less to go wrong?" On wet mornings, I missed a rear screen-wiper. The interior was a touch austere after the Passat, but for a hatchback the load space was huge - it passed my test (ability to carry two power trolleys and two golf bags) more easily than many grander cars, estates included.

The ride was firmer than the Passat's but comfortable enough and it handled neatly. Being high geared, it was just as relaxed and frugal of fuel on the motorway, easily achieving 55mpg (5.1/100km) on a journey.

I have since sampled two Octavia SLX estates, one with the 125-horsepower petrol engine at less than half the revolutions per minute made for effortless acceleration, strong hill-climbing



Octavia SLX estate: a typical Volkswagen Group car that just happens to have a Skoda badge

and safe overtaking in fourth and fifth gears. A potential fuel consumption of more than 50mpg (5.6/100km) against the 20-valve petrol engine's 33mpg (8.5/100km) is worth having when pump prices rise faster than inflation, year on year. Octavia estates cost from £14,199 to £17,199.

The Felicia, still Skoda's mainstream model in Britain, predated the VW takeover. It has been improved beyond all recognition by incorporating VW

components, production and assembly techniques and quality standards.

In fact, Octavia is a typical Volkswagen Group car that just happens to have a Skoda badge and is built in the Czech Republic. The underpinnings are from the Audi A3. The petrol and diesel engines are used in other VW Group products (Audi, Seat and VW). So what are the main differences? First and foremost, price. A somewhat basic Octavia 1.6-litre 5-door is listed at only

£11,499 against £13,020 for a comparable Ford Escort.

The Octavia estate costs from £14,199. What seems to be a massive price premium for an estate body is explained by higher equipment levels: all estates have air conditioning, ABS brakes, driver and passenger airbags, front and rear electric windows and an onboard computer as standard.

Styling manages to make Octavia look not quite like a slightly smaller version of the Passat - the front end is even slightly Rover-ish - but it clearly belongs to the VW Group family.

Buyers of the Octavia hatchback have a choice of three trim levels, LX, GLX and SLX, and five engines. Three of them (1.6-litre, 75 and 101-horsepower, and five valves per cylinder, 125-horsepower 1.8-litre) are petrol; two are 1.9-litre turbodiesels developing 90 or 110 horsepower.

In the estate, only GLX and SLX trims and the 110-horsepower turbo-diesel are offered. Transmission is by a

five-speed manual gearbox with, at present, no automatic alternative.

Skoda in Britain has two problems. In the short term, it is how to satisfy demand for the new Octavia, and, looking forward, how to change public perception of the brand. People in the know need no further convincing that the Octavia offers Volkswagen quality at a discount.

But future potential buyers will need to be made aware of Skoda's distinguished history as an industrial giant. Prewar it stacked up against the likes of Armstrong-Vickers and Krupp. Only when the communists were in charge was it condemned to make out-of-date, rear-engined Renault Dauphine lookalikes long after the rest of the world had moved on to better things.

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What's on around the world

AMSTERDAM

DANCE
Het Muziektheater
Tel: 31-20-551 8911
● Dutch National Ballet:
Carlson-Humphrey-Tharp. Programme
of works by the three choreographers;
Sep 19
● Nederlands Dans Theater I: triple
bill comprising Sinfonietta by Jiri
Kyllan, Grass by Mats Ek, and Start to
finish by Paul Lightfoot; Sep 25

EXHIBITIONS
Rijksmuseum
Tel: 31-20-573 2121
● Bellange: An Unconventional Etcher.
Brings together etchings and drawings
by the 17th century Alsace artist, who
was painter at the court of the Duke of
Lorraine in Nancy from 1602 until his
death in 1616; to Oct 18
● Van Gogh in the Rijksmuseum:
during the period of the Van Gogh
Museum's closure, a selection of its
holdings are on display here; from Sep
19 to Mar 7

Stedelijk Museum
Tel: 31-20-573 2911
www.stedelijk.nl
Bill Viola, 25 Year Survey - A Video
Journey: major survey of work by the
American video artist; to Nov 29

OPERA
**Netherlands Opera, Het
Muziektheater**
Tel: 31-20-551 8911
Götterdämmerung: by Wagner. New
staging by Pierre Audi, conducted by
Hartmut Haenchen. Cast includes
Heinz Kruse, Jeannine Altmeyer and
Henk Smits; Sep 20, 23

BASLE

EXHIBITION
Kunstmuseum
Tel: 41-61-271 0828
www.kunstmuseumbasel.ch
A House for Cubism: the Raoul La
Roche Collection. Display of works
collected by the Swiss banker and
given to the museum in the 1950s and
1960s. Includes works by Picasso,
Braque, Léger, Gris, Le Corbusier and
Ozenfant; to Oct 11

BIRMINGHAM

CONCERT
Symphony Hall
Tel: 44-121-212 3333
City of Birmingham Symphony
Orchestra: conducted by Sakari Oramo
in works by Sibelius, Dutilleul and
Mahler; Sep 24

BONN

EXHIBITION
**Kunst- und Ausstellungshalle der
Bundesrepublik Deutschland**
Tel: 49-228-917 1200
www.kah-bonn.de
Great Collections: the latest in this
series of exhibitions is devoted to the
Musée du Petit Palais in Paris.
Concentrating on the museum's
holdings of 19th century French art,
the show comprises nearly 200 works
and ranges across painting, drawing
and sculpture; to Sep 27

BOSTON

EXHIBITION
Museum of Fine Arts, Boston
Tel: 1-617-267 9300
Monet in the 20th Century: more than
80 works painted by the artist in the
last decades of his life. Beginning with
paintings of the garden at Giverny, the
show concludes with five of the
monumental waterlily paintings that
Monet called Grandes Décorations; to
Dec 27

BUCHAREST

CONCERT
Sala Mare a Palatului
Chicago Symphony Orchestra:
conducted by Daniel Barenboim in
works by Schumann and Mahler. With
piano soloist Radu Lupu; Sep 19

BUDAPEST

EXHIBITION
Museum of Applied Arts
Tel: 36-1-217 5222
www.artic.edu
Zsolnay: Art and Archaeology of Ancient
West Mexico: more than 200 works,
including terracotta figures found in
tombs, and findings of recent
excavations; to Dec 6
● Julia Margaret Cameron's Women:
60 vintage prints of Victorian subjects
such as Julia Jackson, mother of
Virginia Woolf, and Alice Liddell; from
Sep 19 to Jan 3

CHICAGO

EXHIBITIONS
Art Institute Of Chicago
Tel: 1-312-443 3800
www.artic.edu
● Art and Archaeology of Ancient
West Mexico: more than 200 works,
including terracotta figures found in
tombs, and findings of recent
excavations; to Dec 6
● Julia Margaret Cameron's Women:
60 vintage prints of Victorian subjects
such as Julia Jackson, mother of
Virginia Woolf, and Alice Liddell; from
Sep 19 to Jan 3

COPENHAGEN

EXHIBITION
**Louise Museum of Modern Art,
Humlebaek**
Tel: 45-4919 0719
www.louisemuseum.dk
Joan Miró: major retrospective
comprising 140 paintings, drawings
and sculptures, including works
borrowed from the artist's family since
the exhibition was shown in Stockholm
over the summer; to Jan 10

DUBLIN

EXHIBITION



'Sun Bird', 1949, by Joan Miró, in a retrospective currently on display at the Louisiana Museum of Modern Art, Humlebaek, Copenhagen

Irish Museum of Modern Art
Tel: 353-1-612 9900
William Scott: Paintings and Drawings.
90 works drawn from public and
private collections; to Nov 1

EDINBURGH

EXHIBITIONS
National Gallery of Scotland
Tel: 44-131-624 6200
Effigies and Ecstasies: Roman Baroque
Sculpture and Design in the Age of
Bernini; to Sep 20

**Scottish National Gallery of Modern
Art**
Tel: 44-131-624 6200
Mona Hatoum: 46 works ranging from
photographs and videos to sculptures
made from materials including hair,
wax, soap, steel, rubber, pins and
razor blades; to Oct 25

Scottish National Portrait Gallery
Tel: 44-131-624 6200
The Winter Queen: The Life of
Elizabeth of Bohemia. Includes around
50 paintings, plus a selection of
engravings and medals; to Oct 4

OPERA

Edinburgh Festival Theatre
Tel: 44-131-529 6000
The Magic Flute: by Mozart. Scottish
Opera production by Martin Duncan,
conducted by Richard Farnes; Sep 19

FRANKFURT

OPERA
Oper Frankfurt
Tel: 49-69-21237 999
www.operfrankfurt.de
● La Périchole: by Offenbach.
Conducted by Catherine Rückwardt in
a staging by Peter Eschberg, with
designs by Peter Pabst; Sep 20
● La Traviata: by Verdi, in a staging
by Axel Corti; Sep 19, 25

GLASGOW

OPERA
Theatre Royal
Tel: 44-141-332 9000
The Magic Flute: by Mozart. Scottish
Opera production by Martin Duncan,
conducted by Richard Farnes; Sep 23

LAUSANNE

EXHIBITION
Musée Cantonal des Beaux-Arts
Tel: 41-21-312 8382
The Collection of Dr Henri-Auguste
Widmer: in 30 years, Widmer collected
more than 600 works of art. This
display, designed to pay tribute to one
of the museum's most generous
donors, includes works by Boudin,
Daubigny, Chintreuil and Rousseau.
The exhibition also includes sculptures
and a selection of antiquities; to Nov 8

LONDON

CONCERTS
Barbican Hall
Tel: 44-171-638 8891
London Symphony Orchestra: Sir Colin
Davis conducts works by Mozart and
Brahms in the opening concert of the
autumn season. With piano soloist
Radu Lupu; Sep 23, 24

Royal Festival Hall
Tel: 44-171-980 4242
● London Philharmonic Orchestra:
Valery Gergiev conducts the season's
opening concert. Programme includes
works by Tchaikovsky and Beethoven,
with the London Philharmonic Youth
Orchestra, London Philharmonic Choir
and violin soloist Sarah Chang; Sep 20
● Philharmonia Orchestra: conducted
by Kurt Sanderling in works by
Brahms, Beethoven and Shostakovich.
With piano soloist Andrés Schiff;
Sep 22

EXHIBITIONS
British Museum
Tel: 44-171-636 1555
Maori: display of more than 500
objects relating to the Maori people of
New Zealand, including material
collected by Captain Cook on his
voyages between 1768 and 1780 -
giant wood carvings, canoes, tools,
and woven cloaks and ornaments; to
Nov 1

National Gallery
Tel: 44-171-639 3321
Venice through Canaletto's Eyes:
tackling the form of a journey along the
Grand Canal, this display brings
together 23 paintings and drawings of
the artist's native city, mainly drawn
from British collections; to Oct 11

Royal Academy of Arts
Tel: 44-171-300 8000
● Chagall: Love and the Stage. A
series of monumental mural paintings
created in 1920 for the State Yiddish
Chamber Theatre in Moscow forms the
centrepiece of this exhibition. They are
shown alongside preparatory drawings
and sketches; to Oct 4
● Picasso: Sculptor and Painter in
Clay. This first major exhibition of
Picasso's ceramics will include around
100 pieces, many of which have never
before been exhibited. They will be
shown with some paintings and
sculptures, demonstrating how Picasso
developed his ideas across different
media; to Jan 1

OPERA
**English National Opera, London
Coliseum**
Tel: 44-171-632 8300
● Otello: by Verdi. New production by
David Freeman, designed by Tom
Phillips and conducted by Paul Daniel/
Mark Shanahan. David Rendall sings
the title role; Sep 19, 22, 25
● Rusalka: by Dvořák. Conducted by
Richard Hickox in a revival of David
Pountney's production, directed by
Lynn Birstock. The title role is sung by
Susan Patterson; Sep 24

LOS ANGELES

OPERA
**L. A. Opera, Dorothy Chandler
Pavilion**
Tel: 1-213-872 8001
www.laopera.org
● Carmen: by Bizet. Washington
Opera production by Ann-Margret
Pettersson, designed by Lennart Mörk.
The conductor is Bertrand de Billy and
the title role is sung by Jennifer
Larimore; Sep 19, 22, 25
● Werther: by Massenet. Conducted
by Emmanuel Joel in a co-production

with Théâtre du Capitole Toulouse
staged by Nicolas Joël and designed
by Hubert Monloup. The title role is
sung by Ramón Vargas; Sep 23

MADRID

EXHIBITIONS
**Museo Nacional Centro de Arte
Reina Sofia**
Tel: 34-1-467 5062
Federico García Lorca (1898-1936):
centenary celebration of the Spanish
poet. Includes biographical material
and examples of the different forms in
which Lorca worked with friends and
collaborators including Falla, Dalí and
Bunuel; to Sep 21

Thyssen-Bornemisza Museum
Tel: 34-914-203 944
Paul Klee (1879-1940): retrospective
comprising over 100 works, including
private and public loans; to Oct 12

MARTIGNY

EXHIBITION
Fondation Pierre Gianadda
www.gianadda.ch/index.html
Paul Gauguin retrospective: organised
to mark the gallery's 20th anniversary.
More than 100 works, borrowed from
public and private collections from
around the world; to Nov 22

MUNICH

CONCERTS
Philharmonie Gasteig
Tel: 49-89-5481 8181
● Kremersta Musica: conducted by
Gidon Kremer in Piazzolla's Mar de
Buenos Aires; Sep 24
● Munich Philharmonic Orchestra:
conducted by Heinrich Schiff in works
by Beethoven, Hindemith and Mahler;
Sep 20, 21, 22
● Symphonieorchester des
Bayerischen Rundfunks: conducted by
Yuri Ahronovitch in works by Weber,
Mendelssohn and Mussorgsky. With
piano soloists Anthony and Joseph
Paratore; Sep 25

EXHIBITION
Haus der Kunst
Tel: 49-89-2121270
Expressionists: the Buchheim
Collection. Wideranging display of
works assembled by the painter and
novelist Lothar-Günther Buchheim over
the past 50 years. Includes works by
Kirchner, Schmidt-Rottluff, Corinth,
Beckmann and Kokoschka, as well as
early watercolours and graphics by Dix
and Grosz; to Oct 18

NEW YORK

CONCERTS
Avery Fisher Hall, Lincoln Center
Tel: 1-212-875 5030
www.lincolncenter.org
New York Philharmonic: Kurt Masur
conducts Beethoven - The Complete
Symphonic Cycle. Programme II (Sep
19, 22); Programme III (Sep 24, 25)

EXHIBITIONS
Metropolitan Museum of Art
Tel: 1-212-879 5500
www.metmuseum.org
● From Van Eyck to Brueghel: Early
Netherlandish Paintings. Almost 100

paintings from the collection, exhibited
together for the first time; from Sep 22
to Jan 3
● Letters in Gold: Ottoman
Calligraphy from the Sakip Sabanci
Collection, Istanbul. 70 objects ranging
from the 15th to the 20th century.
Includes manuscripts, panels and
scrolls; to Dec 13
● Louis Comfort Tiffany: celebrating
the 150th anniversary of the artist's
birth, this exhibition, drawn from the
museum's collection, includes
leaded-glass windows and lamps,
vases, furniture, enamels, jewellery and
a selection of drawings; to Jan 1
● The Nature of Islamic Ornament,
Part II: Vegetal Patterns. Second in a
four-part series on Islamic ornament
from the 9th to the 18th century.
Includes rare brocades and carpets; to
Jan 10

Museum of Modern Art
Tel: 1-212-708 9430
www.moma.org

● Aleksander Rodchenko (1891-1956):
first major US retrospective of the
most important Russian artist of the
period following the 1917 revolution. A
founder and leading theorist of
Constructivism, Rodchenko abandoned
the traditional mediums of painting and
sculpture in favour of experimental
forms, photocollage and graphic
design. The show presents 300 works
created between 1915 and 1939; to
Oct 6
● Bonnard (1867-1947): originated at
London's Tate Gallery, this major
retrospective focuses on more than
100 works produced between the
1890s and 1940s. Includes landscapes,
still lifes, a series of nudes, and several
self-portraits; to Oct 1
● Love Forever - Yayoi Kusama,
1958-1968: display of works by the
Japanese artist (b.1929), who came to
prominence in the late 1950s - while
living and working in New York - with
a series of large-scale monochromatic
paintings called Infinity Nets. Following
her return to Japan in the early 1970s
Kusama was largely forgotten in the
US. This display includes installations
and a film as well as paintings,
sculptures, photographs and collages;
to Sep 22
● Tony Smith (1912-1980): Architect,
Painter, Sculptor. Includes some 50
paintings and 50 drawings, as well as
plans, sketches, photographs and
models; to Sep 22

Pierpont Morgan Library
Tel: 1-212-685 0008
Master Drawings from The State
Hermitage Museum, St. Petersburg,
and The Pushkin State Museum of Fine
Arts, Moscow. 120 European drawings
dating from the 15th to the 20th
centuries, some of which have never
before been exhibited outside Russia.
Includes works by Rembrandt and
Dürer, with particular emphasis on the
modernists Matisse and Picasso; from
Sep 25 to Jan 10

Whitney Museum of American Art
Tel: 1-212-327 2801
Mark Rothko: previously seen in
Washington, this major retrospective of
works by the American abstract artist
includes loans from Europe and Japan.
The 100 works on display encompass
all phases of Rothko's career, from the
late 1920s to 1970; to Nov 29, then
touring to Paris

OPERA
**New York City Opera, New York
State Theater**
Tel: 1-212-870 5570
www.nyco.org
● Il Barbiere di Siviglia: by Rossini.
Directed by Albert Sherman and
conducted by Guido Almona-Marsan.
Cast includes Kristine Jepsen, Daniel
Mobbs and Matthew Polenzani;
Sep 24
● Partenope: by Handel. Directed by
Francisco Negrin and conducted by
George Manahan. Lisa Saffer sings the
title role; Sep 19, 22
● Tosca: by Puccini. George Manahan
conducts a staging by Mark Lamos;
Sep 23

PARIS

DANCE
Théâtre des Champs Elysées
Tel: 33-1-4952 5050
● Cuban National Ballet: Swan Lake,
in a staging by Alicia Alonso;
Sep 22, 25
● Cuban National Ballet: Giselle, in a
staging by Alicia Alonso; Sep 23, 24

EXHIBITIONS
Musée d'Orsay
Tel: 33-1-4049 4814
www.musee-orsay.fr
● Millet/Van Gogh: display of 85 works
brought together to demonstrate the
influence of Millet on the work of Van
Gogh. These include paintings,
drawings and pastels by both artists,
many of them on loan from the Van
Gogh Museum in Amsterdam; to
Jan 3

Musée du Louvre
Tel: 33-1-4020 5151
www.louvre.fr
● Astronomy and Astrology in the
Islamic World: display of instruments
developed by Arab astronomers
between the 8th and 15th centuries,
shown alongside a selection of
everyday and religious objects
decorated with astrological designs; to
Sep 21
● Bassano and His Sons: works by
the Venetian painter Jacopo Bassano
(1510-1592) and his sons. The display
brings together works owned by the
Louvre with loans from other French
museums; to Sep 21

PROVIDENCE

EXHIBITION
The RISD Museum
Gifts of the Nile: Ancient Egyptian
Faience. Display of ceramics, known
as faience, a mixture worked by the
Egyptians and regarded by them as
magical. Brings together over 200
works, including statuettes of kings,
gods and animals, and inlaid boxes
ranging over 5000 years. Includes
works borrowed from public and
private collections in the US and

Europe; to Jan 3

ROME

EXHIBITION
Borghese Gallery
Bernini, the Sculptor: The Beginning of
Baroque Art in the Borghese Family.
Brings together pieces belonging to the
Villa with loans from abroad, including
the famous Hermaphrodite from the
Louvre. Includes self-portraits and early
pieces, and paintings by Lanfranco;
to Sep 20

SAN FRANCISCO

EXHIBITION
**San Francisco Museum of Modern
Art**
www.sfmoma.org
Alexander Calder (1898-1976): around
250 works, among them some of the
best examples of Calder's formally
innovative sculpture. Alongside the
mobiles and stables are selected
paintings, drawings and jewellery; to
Dec 1

OPERA
**San Francisco Opera, War Memorial
Opera House**
Tel: 1-415-864 3330
www.sfoopera.com
A Streetcar Named Desire: world
premiere of a new opera by André
Previn, with a libretto by Philip Littell
based on Tennessee Williams' play.
The staging is by Colin Graham, with
designs by Michael Yeargan. André
Previn conducts and the cast stars
Renée Fleming; Sep 19, 23

STOCKHOLM

EXHIBITIONS
Moderna Museet
Tel: 46-8-5195 5200
www.modernamuseet.se
● International Surrealism: works from
the collection by artists including Dalí,
Duchamp, Magritte, Ernst and
Giacometti; to Oct 5
● Man Ray: Objects of My Affection.
Album comprising 36 sheets compiled
in 1944 when Man Ray was working in
Hollywood; to Oct 5
● The Daring Eye: 220 works
spanning the history of photography,
from the 1840s to the present. Includes
works by Hill-Adams, Julia Margaret
Cameron, Nadar, Alfred Stieglitz, Man
Ray and Berenice Abbott; to Nov 15

TOKYO

CONCERTS
Suntory Hall
Tel: 81-3-3584 9999
● Etzuko Terada: recital by the pianist
of works by Beethoven and Brahms,
with the Japan Philharmonic
Symphony Orchestra conducted by
Naoto Otomo; Sep 22
● Japan Virtuoso Symphony
Orchestra: conducted by Philippe
Entremont in works by Beethoven and
Beethoven; Sep 20, 21
● Minnesota Orchestra: conducted by
Eiji Oue in works by Bernstein and
Beethoven; Sep 24
● Minnesota Orchestra: conducted by
Eiji Oue in works by Mozart and
Mahler; Sep 25

EXHIBITIONS
Metropolitan Art Museum
Tel: 813-3823 6921
The Carmen Thyssen-Bornemisza
Collection: touring show of 94
paintings, ranging from the 18th
century to the early 20th. Highlights
include 19th century Spanish works
and works by American painters. Also
on display are recently acquired works
by Delaunay and Braque; to Oct 4

**Metropolitan Museum of
Photography**
Tel: 81-3-3280 0031
Eugène Atget Retrospective: An
Intimate View of Paris at the Turn of
the Century. Around 200 works by the
documentary photographer; to Nov 4

TORONTO

EXHIBITION
Art Gallery of Ontario
Tel: 1-416-979 6556
The Courtauld Collection: 81 works on
loan from London by artists including
Manet, Degas, Monet, Renoir and
Cézanne. Highlights include Manet's Le
déjeuner sur l'herbe; to Sep 20

OPERA
**Canadian Opera Company,
Hammamilton Centre**
Tel: 1-416-363 6671
www.coc.ca
● Norma: by Bellini. New production
by James Robinson, conducted by
Stephen Lord. With sets by Allen
Moyer and costumes by Anna Oliver.
The title role is sung by Marina
Meshcheriakova; Sep 24
● Tosca: by Puccini. Conducted by
Richard Bradshaw in a staging by
David William. Cast includes Sylvie
Valéry and César Hernández;
Sep 25

WASHINGTON

EXHIBITION
National Gallery of Art
Tel: 1-202-737 4215
www.nga.gov
Manet, Monet, and the Gare
Saint-Lazare: places Manet's famous
painting in a context provided by
works by other artists and a group of
related drawings, prints and
photographs; to Sep 20

ZURICH

EXHIBITION
Kunsthaus Zurich
Tel: 41-1-251 6765
Max Beckmann and Paris: more than
100 masterpieces of modern art from
public and private collections around
the world. Works by Beckmann are
shown alongside paintings by Matisse,
Picasso, Braque, Léger and Rouault;
from Sep 25 to Jan 3

Arts Guide by Susanna Rustin
e-mail: susanna.rustin@bt.com
Additional listings supplied by
ArtBase tel: 31-20-664 6441
e-mail: artbase@pl.net

London

In some gods we must trust, says **Philip Coggan**

Monday	7,945.35 + 149.85
Tuesday	8,024.39 + 79.04
Wednesday	8,089.78 + 65.39
Thursday	7,873.77 - 216.01
Friday	

■ Highlights of the week

Time Period	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1971-1972	1972-1973	1973-1974	1974-1975	1975-1976	1976-1977	1977-1978	1978-1979	1979-1980	1980-1981	1981-1982	1982-1983	1983-1984	1984-1985	1985-1986	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-2100		

turers' heroine, voting for a reduction, while their villain

quite a significant fall. the equity. That'll be the *de*

For an interactive guide to personal finance, visit <http://www.FTQuicken.co.uk>

WEEKEND INVESTOR

■ Last week's interim results

Company	Sector	Half year to	Pre-tax profit (£m)	Interest charges (£m)	Dividend per share (p)
Absolut Meats	Meat	Jun	6.16	0.09	24.2
Aluminium Unichem	HMC	Jun	50.1	28.9	3.85 3.3
Arch & Lacy	Eng	Jun	50.1	5.45	3.1 2.9
Battersea Holdings	Prop	Jun	47.7	2.18	22.2
Bell	Med	Jun	15.22	0.34	- 2.5
BSN	Eng	Jun	9.58	0.82	-
Auto Precision	Autom	Jun	0.70	0.06	0.3 1
Barclays Bank plc	FIN	Jun	0.071	0.05L	-
Baxendale (P&C)	Eng	Jun	10.3	10.5	1.15 1.15
BIG	Gas	Jun	71.1	759	4.9 4.4
Black (A&S)	Med	Jun	0.289	0.203	4.25 4.25
Bombardier	Coat	Jun	18.9	1.4	3.3 -
Catharine	Coat	Jun	1.54	0.327	0.6 0.4
Chelmsford Asse	Life	Jun	210	1,108	12 10
Chitrix	EngV	Jun	26.8	22.2	0.914 0.65
British Aerospace	Eng	Jun	725	70	2.35 1.95
British Polythane	PPAP	Jun	11.3	11.1	7 6.5
British Rail Air Line	Tres	Jun	0.657	0.579	-
Canberra (W)	Chem	Jun	4.25	4.8	3.85 3.7
Canning	RDM	Jun	4.8	4	3.25 3
Capital Corp	Life	Jun	5.01	5.84	1 2.25
Capital Ind	PPAP	Jun	1.48	3.47	1 1.285
Cardiff	Eng	Jun	0.495	0.425	1.5 1.5
Clifton Cars	HMC	Jun	0.555	1.31	1 0.75
Clothing Holdings	AIM	Jun	0.59	0.299	1.9 1.9
Closures Property	Coat	Jun	1.88	1.21	17 15.7
Comstar of UK	NTR	Jul	171.1	119.7	3.25 3
Consolidated	Sydv	Jun	0.854	0.739	0.35 0.3
Corbett	E&EE	Jul	23.2	23.1	4.5 4.5
Covoca	Prop	Jun	2.58	2.86	-
Crest Motors	Dist	Jun	9.71	4.01	3 2.5
Crest Packaging	PPAP	Jun	3.75	3.5	3.3 3
Crookston RCM Smr	NTR	Jul	254.1	194.1	1.4 1.3
Cummins Eurot	Prop	Jun	2.55	0.45	-
Curtis Chemicals	Edin	Jun	43.5	41.6	5.5 5.5
Daniel Price Cap	NTR	Jul	305.9	209.4	-
Dawson	E&EE	Jul	51.2	24.0	3.2 3.05
Deutsche	Sydv	Jun	0.071	0.471	-
Dillards	Prop	Jun	1.5	2.2	0.81 0.753
Dixons	PPAP	Jun	2.61	2.56	1.8 1.8
Dorland of Club	Fidrv	Jun	1.77	0.27	4.8 4
Dover	NTR	Jul	12.3	0.268	-
Down Trust	NTR	Jul	63.1	4.0	0.5 0.35
Dunlop Macdonald	Eng	Jun	0.2	0.47	1.4 1.5
Dynaflex (by Norman)	Eng	Jun	0.525	0.238	0.8 0.8
Ealing	Sydv	Jun	18.2	18.2	6 5.5
Eaton	Sydv	Jun	19.2	20.9	3 3
Electronics Radio	AIM	Jun	1.071	1.811	-
Elfr Life & Co	LIFE	Jun	140.2	10.1	4.3 3.9
Emerson Group	Coat	Jun	1.84	1.81	1.5 1.1
Ennals (an Heashead)	Edin	Jun	0.046	0.13	-
Enviro	Eng	Aug	226	158	3.75 3.25
Essex-FR	Eng	Aug	20	25.1	2.85 2.35
Euromet	He&G	Jun	0.21	0.905	0.1 0.1
Eveready	AIM	Jun	0.314	0.226	2.2 2
Exxon	Med	Jun	2.48	1.54	0.5 0.4
Exxon Chemicals (S)	FDPR	Jun	5.3	6.57	2 1.8
F&N	Sydv	Jun	0.3871	3.91L	-
Ferret	China	Jun	1.04	1.12	0.8 0.8
Fidelity	NTRY	Jul	51.0	86.6	2.1 1.6
Ferguson Crucible	Eng	Jul	57.5	56.1	7.4 7
Ferranti (Wm)	NBF	Aug	88.3	9.7	0.45 0.4
FL Instruments	E&EE	Jun	2.74	2.61	2.5 2.3
Fleming	RMG	Jul	30.2	71.2	6.5 6
Forepart UK Small	NTRY	Jul	401.0	362.7	-
Formal	Med	Jun	0.02	0.739	0.15 0.4
Fortress	Sydv	Jun	1.21	0.735	1.35 1.3
Gen Executive	Sydv	Jun	7.28	6.69	1.8 1.5
Genflex	Sydv	Jun	0.299	1.15L	-
General Mining	Edin	Jun	4.48L	0.91L	-
Genie	Dist	Jun	112.2	115.9	8.5 8.2
Gerhard	RDM	Jun	1.32	1.34	1.9 1.9
Gilbert	Dist	Jul	2	1.37L	-
Goodreads	Dist	Jun	141.4	131.0	5.0 4.77
Grain	Tres	Jun	0.957	0.102	1.75 1.75
Grain Products	E&EE	Jun	0.208	0.813	2.85 2.85
Grain & Fisher	RDM	Jun	2.39	2.01	2.3 2.1
Greenwood Grp	He&G	Jun	3.18	3.13	1.3 1.3
Griffin	RDM	Jun	18.1	14.7	2.8 2.5
Heinrich Motoren	HMC	Jun	0.709	0.772L	-
High Ram	RDM	Jun	5.5	1.4L	-
High Vm	Coat	Jun	2.74	2.68	1.2 1.1
HIFE Systems	Dist	Jul	10.2	10.3	3.6 3.25
Hill & Francis	Med	Jun	3.67	3.98	1 -
Hirshon Corp	Med	Jun	1.89	1.52	1.4 1.25
Hirshon Travel	LIFE	Jun	38.5L	-	0.75 -
Hurst & Britten	Tres	Jun	11.58	11.59	5.9 5.5
Hyne Douglas	Coat	Jun	7.96	0.16	3.2 3
Hyne Products	Dist	Jun	3.24	9.91	3 4.9
Hyne Perlines	RDM	Jun	26.1	22.3	3.8 3.3
Igity	Med	Jun	36.2	32	4.4 4
Igity	Coat	Jun	1.21	0.757	0.35 -
Imperial Group	Eng	Jun	31.1	27	3.69 3.22
Imperial Hydro	Eng	Jun	0.0891	0.098	- 0.1
Imperial	Chem	Jun	2.05	1.91	1.9 1.8
Imperial Television	Dist	Jun	4.32	3.54	2.8 2.5
Imperial Oversea Grp	Dist	Jun	50.6	195	4.93 0.28
Imperial	Eng	Jun	140.6	15	27 27
Imperial	DVFL	Jun	17	22	2.3 2.3
Imperial	Jun	Jun	0.559	0.511	0.5 -
Imperial	AIM	Jun	0.08L	0.025	-
Imperial	Chem	Jun	3.91	3.62	10.5 10
Imperial	Coat	Jun	0.07	0.132	2.62 1.0

■ **Last week's preliminary results**

Company	Year	Pre-tax profit (\$m)	Earnings per share (p)	Dividends per share (p)	
British Leisure	1984	4.20	3.81	1.05	1
Thames	1984	3.59	3.03	0.85	1
TV Technology	1984	0.863	0.768	0.57	2.57
Comcast	1984	0.92	0.58	0.34	8.34
Plaza	1984	101.11/21	21.8	1.74	-
AMU	1984	0.885	0.833	0.30	0.27
Porter & Wetherley	1984	0.91	0.773	0.45	4.65
Crawford & Mills	1984	8.3	14.4	3.3	3.99
Corporation Leisure	1984	0.986	0.702	0.23	4.54
TV Technology (UK)	1984	2.91	1.71	1.05	0.85
1985	1.78	1.15	0.84	1.05	1.05
1986	1.3	2.22	4.7	3.5	1.47
1987	17.37	14.74	33.3	24.9	10.7
1988	36.57	30.88	32.0	24.9	-
1989	5.04	3.21	0.23	1.32	-
1990	5.03	3.31	19.22	38.98	18.5
1991	3.36	0.888	18.85	38.92	17.6
1992	3.95	1.143	19.01	41.7	17.8
1993	1.46	0.58	3.74	4.22	-
1994	34.8	32.8	74.19	73.48	33.3
1995	163.5	148.6	4.9	4.98	3.23
1996	2.61	1.67	11.6	9.5	4.95
1997	0.975	1.28	20.26	21.61	12.6
1998	482	361	137	114	40.6
1999	13.3	6.9	12	12.8	3.7
2000	16.38	9.27	4	4.4	2.3
2001	2.89	2.59	36.1	53.43	54
2002	0.803	0.911	59.43	59.5	1
2003	1.57	6.729	3.14	-	-
2004	3.298	1.588	5.91	14.4	-
2005	4.04	2.04	21	3.5	-
2006	2.469	0.538	39.3	45.4	-
2007	2.21	6.636	11.33	-	-
2008	2.17	2.15	20.18	11	-
2009	7.891	0.8	2.8	2.8	-
2010	12.4	4.1	13.7	13.7	-
2011	26.13	17.57	17.5	22	-
2012	2.91	2.51	11.9	2.7	-

■ Directors' share dealings

Company	Sector	Shares	Value £000	No of directors
SALES				
lan (ED & F)	OthF	250000	886	1
IGU	Ins	6929	84	1
ardine Lyd Thpmsn	Ins	30000	63	1
IT	Ins	2500	26	1
Abbott PLC	L&H	600000	510	1
AGC PLC	SSar	2000	388	1
ainbury (J) Plc.	RefF	101855	549	1
PURCHASES				
edWest	Bnks	4500	41	1
Standard Chartered	Bnks	58455	174	2
Edinburgh	SB&H	311000	211	2
aportle	Chem	12000	84	1
ule Catto & Co.	Chem	30000	88	1
ezar Homes	Cons	25000	38	2
ve Group	Cons	7500	18	2
erammon	Cons	85000	100	1
CB Group	Cons	6500	15	1
ing (Comonly)	Cons	32000	44	1
electrocomponents	Diet	5000	18	1
aristof Int'l	Eng	10000	20	1
ardo Engineering	Eng	41747	50	3
ookson	Eng	50000	66	1
ohnson Matthey	Eng	8000	24	1
Hurchill China	H&M	34176	36	3
Asia Viella	H&M	2000000	548	1
M Trust plc (The)	InvT	6360	38	3
unner Inv	InvT	10000	29	1
cond Lon American	InvT	100000	19	1
lous & Income Tra	Inv	100000	124	1
lmes Place	L&H	10000	20	1
L&H	L&H	14250	30	1
Prinston Press	Media	20000	33	1
erewest & Sund	Media	3000	34	1
Satchi & Satchi	Media	150000	163	1
uthwens	Media	11000	35	2
SMO	ONE	10000	16	1
co International	ONE	35000	27	2
erwin Dolphin	OthF	7273	24	1
ology Therapeutics	Pharm	20000	20	1
glow Group	PP&P	22725	20	1
Porter & East	Prop	25000	32	1
mes Smith East	Prop	25000	23	1
light Group	SSar	46866	152	1
vision Group	SSar	65900	26	2
ring Group	SSar	10000	28	1
ables and Wireless	Tele	15000	90	1
ther (J)	Trns	25000	21	2
rh Fortis	Trns	35000	100	3
Green Group	Trns	18000	106	3
ewson(Christian)	Trms	110000	100	3
risvair plc	Trms	38000	49	2
Group	Uncl	50000	47	1

Companies must notify the Stock Exchange within five working days of a share purchase or sale. If a director, the company must also notify the Stock Exchange and the Companies Commission for Ireland (CCI) of any purchase or sale of shares by a director or a director's nominee. For further information, see page 100.

Source: S&P Data. The Inside Track, Edinburgh, 0181-473 7070

■ Results due next week

Agency	Sector	Agreement due	Last year's intake	Estimated '93 last year's total	This year's intake
AL DIVIDENDS					
Cont Mining	Exhd	Monday	-	-	-
Int'l Developments	Cont	Monday	3.0	8.0	3.8
Inform Demutualisation	Int'l	Wednesday	-	-	0.9
Is Group	Hyd	Tuesday	-	-	-
Computer	Sys	Tuesday	-	-	-
Cont	Cont	Wednesday	-	4.5	2.8
Group	Hea	Wednesday	2.85	7.0	2.5
Chamber	Diet	Wednesday	1.2	3.6	1.2
Express	Brew	Monday	0.85	3.35	1.05
Insurance Int'l	Eng	Tuesday	3.1	-	-
Software	Heag	Monday	-	-	-
Cont Ventures	Int'l	Wednesday	-	1.82	-
	EEEE	Thursday	-	-	-
ARM DIVIDENDS					
Arts	Heag	Tuesday	3.31	9.5	-
Europe	Trus	Wednesday	1.25	3.75	-
Cont	PPAP	Monday	5.75	16.25	-
Companities Int'l	HBC	Monday	-	-	-
Europe	EEEE	Wednesday	4.28	14.04	-
Cont	Hyd	Wednesday	3.2	11.2	-
Europe	BldM	Tuesday	2.1	5.8	-
Cont	Diet	Monday	0.425	1.25	-
Cont Int'l	Phen	Thursday	-	-	-
Cont	Isac	Friday	0.8	3.2	-
Int'l	HBC	Tuesday	0.31	1.0	2.5
Int'l	Heag	Wednesday	2.1	6.7	-
Int'l	EEEE	Wednesday	0.75	2.0	-
Int'l	Trus	Monday	-	-	-
Cont	RNG	Tuesday	0.825	3.44	-
Cont	Cont	Thursday	1.0	3.6	-
Cont	AIN	Monday	-	0.77	-
Cont	Heag	Monday	2.6	8.0	-
Cont	Eng	Tuesday	1.0	4.15	-
Cont	Prap	Monday	9.25	0.35	-
Cont	PPAP	Thursday	1.1	3.1	-
Cont	Phen	Monday	-	-	-
Cont	AIN	Monday	-	-	-
Cont	Sys	Wednesday	-	-	-
Cont	EEEE	Monday	2.4	7.3	-
Cont	Lals	Wednesday	-	-	-
Cont	Heag	Wednesday	3.3	11.5	-
Cont	Heag	Wednesday	3.8	11.7	-
Cont	Diet	Tuesday	-	-	-
Cont	Isac	Tuesday	3.75	7.05	-
Cont	Heag	Monday	3.5	1.0	-
Cont	PPAP	Tuesday	3.55	11.80	-
Cont	Heag	Tuesday	1.0	2.0	-
Cont	Phen	Monday	-	-	-
Cont	Eng	Monday	2.7	8.3	-

Directors' dealings

The largest purchase last week was at Coats Vyeella. Chairman, Sir David Allidice bought 2,000 shares at 41.5-43p, writes *Chris Hill*. This came as Coats Vyeella's share price hit an all-time low. Results at the end of the year were little to encourage investors as pre-profit fell to £1.6m from £1.5m.

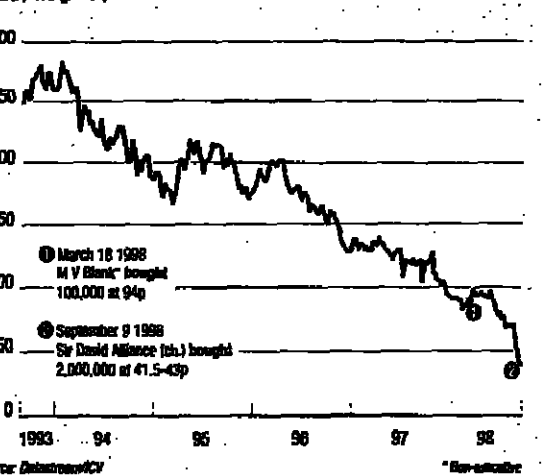
Merseyside-based glass manufacturer Pilkington was the site of two purchases. Non-executive chairman, Sir Anthony Rudd picked up 200,000 shares at 15p and he was joined later in the week by executive director, Warren Knowlton, who acquired 111,000 shares at 57p.

Executive directors were recently appointed at Pilkington, where the share price has fallen back, whose expansion is intended to restore investor confidence.

There was selling at business information systems consultants CMG. Chief executive Tom Rusting sold 20,000 shares at 1940p.

Recent first-half results at CMG revealed a rise in pre-tax profits to £24.1m, from £18.1m last year, which was accompanied by an increase in dividend to 2.00p (1.30p).

ats Vyella
ra criss (pencil)



2:1

Bids

Lith-Borneo Petroleum indicated the oil and gas exploration and production company, agreed an all-share bid for Hardy Oil & Gas that could mark the start of a new phase of consolidation in the sector.

Writes Michael Peel. The bid worth \$284m on yesterday's closing British-Borneo share price of 312½p.

Robert Wood, chief execu-

tive of Henlys, said he was confident his bid for Dennis, the bus chassis and vehicle builder, would be accepted even if it dipped 8 per cent below the rival offer from Mayflower. Henlys' share price has slipped from 512½p on August 15, the day of the bid announcement, to 445p at yesterday's close, reducing the value of Henlys' bid from £268m to £263m.

In the Pink

Contagion spreads as Asia passes the parcel

The collapse in world trade has made punters apopleptic
Brian Reading offers them some comfort

Brian Reading is a director of Lombard Street Research

The world owes a small thank you to M a h a t h i r Mohamed, Malaysia's prime minister and to Donald Tsang, Hong Kong's financial secretary. By interfering in financial markets, they have done us a favour. Readers not already apologetic may care to know why. The Asian crisis has triggered a collapse in world trade.

It was caused by a sharp shift in capital flows. Inflows dried up into a few small Asian economies, Thailand, Malaysia, the Philippines and Indonesia, then became outflows. Contagion spread, capital flight to Korea, China, Hong Kong, across the Pacific to Latin America and over Siberia to Russia. There has been a massive contraction in international credit, without which developing countries cannot finance current account deficits. Moreover those who borrowed need surpluses to repay debts.

A country can move from deficit to surplus in two ways. Its exports must become cheaper and imports dearer, so that it sells more to others and buys less from them.

This option is to devalue. The other is to deflate. It then buys less of its own output and of other countries'.

Both reduce global demand. Devaluing hurts others by shifting demand from them. Deflation hurts all. Like pass the parcel, world trade shrinks each time a deficit is passed on.

Asia was forced to move rapidly from deficit to surplus. It devalued and deflated. The rest of the world must therefore suffer worsening current account

positions. A deteriorating payments balance does two things. It deflates demand and means the sufferer can lend less (if a surplus gets smaller) or must borrow more (if a deficit gets bigger). If the sufferer needs to borrow but can't, it must devalue and deflate. The problem is passed round until it reaches countries big and strong enough to stop the rot.

They must stimulate domestic demand aggressively and if they run big current account deficits, they must be able to borrow

If Brazil goes, A Mexico will follow. It is the world's largest current account bigger than Japan stop the rot. But to finance them.

The initial impact of the Asian countries' crisis was on Japan, the US and China. Europe escaped relatively unscathed. Asian imports collapsed as their economies crashed. But despite a massive competitive advantage, Asian exports have been slow to expand. Financial and physical constraints impeded production and shipment. As these ease, their exports will soar - Korean export volume is already up 40 per cent on a year ago.

The buck could not stop with Japan. It could not stand the deflationary impact. So the yen fell and the economy slid into recession. Japan's bilateral balance with Asia deteriorated, but its overall balance improved. Japan passed the buck with interest to others.

Initially the US had no problem with the deflationary impact of a bigger current account deficit. Wall Street's bull market was making Americans so effortlessly rich they had stopped saving. Domestic demand was booming. Moreover the strong dollar and falling import prices kept inflation low. But can the US go on financing an ever larger current account deficit as Wall Street falls? The bear market has put at risk domestic demand growth and America's ability to attract capital inflows. The

Because their currencies are stronger and their economies more buoyant, their exports will rise less and imports fall less. This will help, albeit in a very small way, to reduce the contraction in world trade.

No tears need be shed for burnt hedge-fund managers. They can establish small economies if they go underground, banks will be less willing to support their leveraged speculation. Hong Kong has acted imaginatively in a way that reduces other investors' currency and stock market losses. Recent dollar weakness has improved its chances of holding its dollar peg. Malaysia's measures have been maladroit and greatly undermined its international markets. It has effectively defaulted by forbidding for a year repatriation of portfolio sales proceeds. But as a high-savings country which does not need to borrow abroad, its exclusion from markets (which would not lend to it anyway) hardly matters.

As capital is moving out of emerging markets, not into them, anything that stops it from leaving helps slow the downward spiral in world trade. The best solution would be a powerful international effort, capable of reversing the massive contraction in international credit. One does not exist. A second best would be a general moratorium for emerging markets. National authorities in lending countries would then have to bail out their own banks. Unless Euroland stops the rot, the world risks a depression. Others will then be forced to follow Hong Kong and Malaysia's lead. A managed moratorium would be better than an uncontrolled spiral of default.

Argentina and
low. But Euroland
largest economy.
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t will it?

dollar is falling and a US
recession is possible.

Meanwhile, primary and
oil producers' export
revenues have been savaged
by falling prices. They cannot
borrow and have no option
but to devalue and deflate.

Russia has defaulted.
Columbia has defaulted.
Brazil has raised interest
rates to 50 percent. If it
goes, Argentina and Mexico
will follow. Euroland is the
world's largest economy. Its
current account surplus is
bigger than Japan's. It alone
can stop the rot. But will it?

Malaysia and Hong Kong
have acted to stop capital
outflows and to prop up
their currencies. This allows
them to run smaller sur-
pluses than they would
otherwise have been forced
to do. So they can afford to
lower interest rates to prop
up domestic demand.

If Brazil goes, Argentina and Mexico will follow. But Euroland is the world's largest economy. Its current account surplus is bigger than Japan's. It alone can stop the rot. But will it?

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FT WEEKEND

True Fiction

The milkman who turned sour

Fame hath no fury like an undiscovered author, says Kieran Cooke

Philip Larkin, sitting in his library's office at Hull University and fingering a rather sad bow tie, expostulated on the subject of fame.

"A disease which, once caught, never leaves you alone. A drug that gives a moment's pleasure and a lifetime of pain. Don't be seduced by it - a false God which ultimately destroys all who worship at its feet."

Throughout my career, I have followed the great poet's advice. I left Hull with a mediocre degree, determined to lapse into quiet anonymity. A promising future on the stage (performances in several Beckett plays won plaudits from Vancouver to Vladivostok) was thrown aside. Publishers' letters offering large advances for my first novel were ignored. Instead, I opted for life as a milkman, employed by the Co-operative Society dairy in High Wycombe.

But the years of my happy existence among the gold and sil-

ver tops, the privet hedges and the tree-lined drives, are at an end. Despite all my efforts to achieve obscurity, the heavy hand of fame has come knocking on the door. Suddenly, I am described as a personality, a plaything of the media, a marketable product. I have been discovered - and the whole thing frightens the socks off me.

This unwelcome development is partly of my own doing. Some time ago, taking a rest from my rounds, I journeyed across the US. The old Buick I was driving broke down in the small town of Beatrice in the state of Nebraska. Pressed for cash and saddle-sore after the long drive, I

took a part-time job on the local newspaper.

As time went on, I found writing for various journals not only provided relaxation from my duties at the Co-op, but also gave me funds to indulge in an occasional flutter on the greyhound. Thus I whistled my way along for a few years, carefree and unknown to the world.

This all came to an end a year ago when I had a call from Gerry Burtcracker, an old buddy from Nebraska days who now lectures at the College of Knowledge in Beatrice.

"Great news, Kieran," said Gerry, his voice booming down the line like an echo in an empty

corn silo. "Beatrice wants to hold a literary festival and has decided to adopt you as its most famous native son. It could not find anyone else."

"We are marketing you as our great undiscovered talent. It's goodbye Steinbeck, hello Cooke. All your old columns have been resurrected. The college is laying on a special course in obscure writing. Even the big guns from New York are interested."

Gerry is a pleasant person, but without an ounce of sensitivity. He ignored my protestations. Within hours I found myself back in the US, cutting the ribbon at the Beatrice Festival of Peculiar Literature.

My correspondence, much of it

At first, I enjoyed my new status, gaining smug satisfaction as the literati struggled to categorise my work. My essay on the Great US Hog Fair of '67 was hailed as Brechtian by some. Elysian by others. A column I wrote about a local beauty pageant was described by one leading critic as "breathtaking yet banal".

Lately, fame, like some unstoppable leviathan, has caught up with me. The aim of Gerry and others is to unearth every word I have ever written and place it in the newly opened Cooke study centre at the College of Knowledge.

deeply personal and some downright embarrassing (I still blush when I recall my letters - never answered - to the daughters of the one-time king of Leechy's fetching telephone numbers - prices at the leading auction houses).

But oh how quickly the worm of celebrity turns. The revisionists have already gone on the attack, tearing into my accumulated work with the zeal of a pack of stray dogs set loose in an abattoir.

Innocent comments I made in an article in this newspaper 10 years ago about the large amounts of jewellery worn by the wife of an obscure Canadian

politician have been labelled as "sexist in the extreme" and "the work of the perverted mind of a misogynist" by the St Louis chapter of the St Joan of Arc Society.

In India there have been street protests over observations I made in the mid-1970s - unnoticed at the time - concerning the poor quality of taploca farmed in the south of the country.

The pleasantly boring routine of my existence has been swept away like milk bottle tops caught in a winter wind. Children now interrupt my daily round with requests for autographs. Housewives who once greeted me in curlers appear at their doors in long dresses, wanting to engage me in literary conversation. Ardent young reporters dog my steps, asking my opinion on every subject under the sun.

There is no respite, no peace. Larkin was right. Being famous is hell.

Metropolis

Swimming against the nuclear tide

The first Soviet A-bomb plant is still dangerous, says Astrid Wendlandt

Isn't it just blissful?" says Sasha, a 22-year-old student plunging into a magnificent turquoise lake just outside his home-town of Chelyabinsk, an industrial city in the southern Urals.

Sasha suspects the lake he swims in every summer weekend with his friends is radioactive from decades-old mishaps that have occurred at the nuclear plant nearby. But he dives in anyway.

"If we thought about radioactivity all day, we would stay at home and do nothing," he says dismissively.

Citizens of Chelyabinsk - population 1.5m - operate the Mayak nuclear plant which is the largest of its kind in Russia and which built the first Soviet bomb. The nuclear complex, hurriedly built under Stalin's orders in the late 1940s by work-camp inmates, has neglected many safety measures during nearly 50 years of operation.

"The priority was to catch up with the US and produce nuclear weapons. The environment and the people were never really a concern," says Nils Bohmer, a nuclear physicist working for the international environmental group Bellona. But the end of the cold war, unfortunately, has not raised the government's interest in the well-being of the population, he says.

According to Chelyabinsk officials, several incidents at the plant and decades of mishandling of its nuclear waste have resulted in the radioactive contamination of more than 450,000 residents in the Chelyabinsk region and 23,000 sq km of lakes, forest and agricultural land.

Some of the contaminated environment can have a lifespan of several hundred years, says Vladimir Yachmenev, head of the Southern Urals Centre for Nuclear Safety under the Russian

Ministry of Emergency Situations.

The danger for Chelyabinsk residents, who escape the city's noise and heat at their weekend dachas, is that there are practically no signs warning them of the land's exposure to radioactive materials. "Radioactivity is invisible. It's impossible to distinguish an area that has been contaminated from one that has not," says Natalia Mironova, head of the Chelyabinsk-based Movement for Nuclear Safety.

The city's dwellers can be affected by eating fruit and vegetables they buy at the city's open markets: no one can tell whether they were cultivated on radioactive soil or not. "I cannot deny that there are some gardens which have been contaminated," says the deputy governor of the Chelyabinsk region, Gennady Podtyosov.

The lack of information on the region's radioactive contamination is an undoubted legacy of the Soviet regime. When, in 1987, a storage tank filled with high-level wastes exploded at the Mayak plant, no one was alerted and those who were contaminated were not told why they were becoming ill.

The same secrecy prevailed 10 years later, when a lake bordering the nuclear plant, which contained several thousand cubic metres of concentrated liquid nuclear waste, dried up, and its dust, carried by strong winds, was spread over hundreds of miles. The lake's radioactivity is equal to 120m curies, which means the level of radioactivity. By comparison, only 20m curies were released from Chernobyl, says Bohmer.

Experts say the level of radioactivity Chelyabinsk residents have been exposed to in the course of the past few decades is higher than those living near the Chernobyl nuclear plant in



Ukraine, where there was an explosion in April 1986. "More land was contaminated at Chernobyl but the intensity of radioactive exposure is higher in Chelyabinsk," says Yachmenev.

Russian scientists admit today that safety measures at the Ukrainian nuclear plant were neglected just as they were at the Mayak plant. "Even at the time they [the scientists] were drawing the plans for that plant [in Chernobyl], they knew it wasn't safe," says a nuclear scientist from the State University of Nizhny-Novgorod.

"One man who tried to oppose the project mysteriously had a car accident," he says.

Had the incidents at the Mayak plant, like that at Chernobyl, also occurred in the mid-1980s under glasnost - the policy of transparency initiated by Soviet president

Mikhail Gorbachev - more people would have known about the possible consequences, Yachmenev says.

"Chernobyl got much more international aid and attention than did Chelyabinsk," he says. Also, the accident that occurred at Chernobyl affected several European countries and thus was more difficult to hide, he says.

Since 1991, Chelyabinsk resi-

dents have been able to obtain information about happenings at the plant. But until then, locals admit everything was based on hearsay.

The veil of secrecy over the plant's activities used to be the main obstacle preventing Russians from increasing safety and helping people who were contaminated. Today, it is the lack of government funds.

"If the state cannot pay its teachers and doctors, where do you think it can find money to pay for rehabilitation?" says Podtyosov.

From 1992 to 1997, the Russian federal government gave the Chelyabinsk region less than 10 per cent of the funds planned for its rehabilitation programme, says Podtyosov. "Ecology ranks last on the government's list of priorities."

Out of the 450,000 individuals who have been exposed to radioactivity, only 26,000 or 5.7 per cent, have received some small compensation from the state, he says.

Those lucky enough to have their name on the regional administration's list of victims receive 200 rubles, roughly \$30, every month, and some get reductions on their telephone and electricity bills.

Mironova says loopholes in the legislation and bureaucratic complexities make it difficult to claim compensation. To date, only one family, whose two children were born with a page-long list of health defects, have managed to receive a significant amount from the state. After leading a four-year battle against the Mayak plant and the powerful Russian Ministry of Atomic

Energy that runs it, the family last year received \$3,000.

The government's poor financial state is also responsible for delaying the relocation of several thousand residents living alongside the highly radioactive river Techa, whose source is next to the Mayak complex. Many living alongside the Techa continue to use the water for their daily needs, says Mironova. "They still wash their clothes or make tea with it," she says.

Since the Russian government is currently enmeshed in the country's worst financial crisis since the fall of the Soviet regime, the river dwellers may have a long wait.

In Myslyumovo, the first village down river from the Mayak plant, "almost no one can say that all their friends and relatives are healthy," says Mironova, showing pictures of babies born with barely any skin on their skull or spine. Radio-nuclides, released by nuclear accidents, can be stored in the body's lungs, blood or bones and alter the cells' DNA. Mutations can be transmitted to the next generation. Blindness, respiratory, heart and intestinal problems are common among those individuals exposed to high doses of radioactivity.

To make things worse, activities at the Mayak plant are scheduled to increase in the future. The Russian government announced it will build new nuclear reactors there and intensify the plant's plutonium processing activities.

The US and the Russian government are co-financing the construction of a \$250m facility to store fissile material from dismantled nuclear weapons. In addition, France, Germany and the US are exploring the possibility of building at Mayak a mixed plutonium-uranium nuclear plant, which can convert weapons-grade plutonium into fuel for civil power plants. "The idea behind the plant is to make sure that weapons-grade plutonium does not fall into the hands of rogue states," says a US official from the American embassy in Moscow.

But, according to Bohmer, the greater the nuclear activity at the plant, the higher the probability that an accident could take place. Also, he says, the government's critical financial situation is "significantly undermining security at the plant." Many scientists do not receive their salaries for months and to survive have other part-time jobs. "This means they are often away and don't watch the plant all the time," he says.

US officials in Moscow say such a plant would require constant surveillance: the Mayak plant is already one of the world's biggest nuclear waste storage areas. Russia's financial crisis may end up leading to both social and nuclear explosions.

Arcadia / Hugh Dickinson

Caught by our bass instincts

The fish eagle screamed at us from its perch on a dead branch hanging over the papyrus beds at the edge of the water. It's the custom of the local boatmen to slit open a small fish, slide a wedge of cork into it to make it float and then to toss it out as a bait to tempt the great birds.

If you're lucky, the huge chestnut brown and white eagle will sweep down on motionless wings and grab the fish from the surface with its talons before flapping lazily up to its perch to tear it to pieces.

We had no small fish to offer him. We were after bigger prey. The bass in Lake Naivasha grow to immense sizes and are notoriously fickle. A kind friend had lent us a boat with outboard and boatman for the day as well as two ancient rods and two rusty reels. We stood in amazement on the wobbly pontoon jetty and looked out across the immense expanse of the lake with its floating islands of water hyacinth below the distant battlements of blue mountains and cumulus clouds and wondered where to start.

Around us kingfishers whizzed across the reeds. Yellow weaver birds flitted among the tall acacia trees. Golden orioles called. Senses tuned to the pastel colours and delicate scents of an

English spring reeled under the tropical abundance and the heat. Max, our Kenyan boatman, pointed to a distant shore and asked tentatively: "We go there?" One mile of jungle shore looks much like another but bass are choosy about where they lurk and moody about the lures they will take. Without local knowledge our chances of catching anything looked slim.

At this moment the floating pontoon rocked alarmingly. Striding towards us was an immense figure with a cheerful grin under a reversed, bright blue baseball cap. Jonty had arrived.

"Hi there, you do me a favour?" It was a statement more than a question. His fishing partner had failed to turn up, so we would take him along with us, wouldn't we? We looked dubiously at his broad neck, immense sunburnt biceps and abundant girth. It seemed we had little choice.

If we did Jonty a favour he certainly returned it. In a trice all our shabby kit was loaded on board with his own state of the art bass rod and high-tech reel.

We climbed in and the boat plunged as he planted his ample frame in the bows. A rapid exchange in Swahili with Max and we were scudding off across the mirror of the lake to a promontory fringed with dense vegetation.

Here and there the branches of fallen trees poked out of the water. We anchored 30 metres off shore and Jonty got us fishing. He told us which lures to use, how deep to fish, how fast to retrieve. Clumsily we splashed our lures in utterly unpredictable directions. With effortless mastery, Jonty flicked his out 60 or 70 metres, probing every nook and cranny in the weeds with pinpoint accuracy.

Meanwhile a continuous stream of anecdotes and comment filled us in on his life history, his present occupation (big game fishing), his views on Africa and women, and, above all, bass fishing.

I asked him if they were good to eat. "Eat the fish? Eat bass? Nah, I tell you, man. Against my religion!" Intrigued by this unex-

pected glimpse of the spiritual inside so much matter, I inquired further. His religion? I pictured some secret sect of fundamentalists lurking in some recess of the Rift Valley.

"Yeah. My religion. Bass fisher!" He guffawed and flipped his orange and turquoise lure.

As it turned out, the least experienced of us hooked the first two fish

companions urged me to bring it along. Jonty viewed it with disgust. "Infant slaughter," he jeered. "Kiss it and chuck it back." He suited action to the words and my first bass was unceremoniously tipped overboard. Max looked horrified. "Good fish, good fish, good to eat," he protested.

On the next cast I hooked another which I insisted on keeping to Jonty's open scorn. "I tell you, man, five-pounders, six, seven, dozens of them just waiting there. You'll see. Half an hour we'll be loaded with them."

In a short while half a dozen small fish were hooked and returned. Then I caught my lure in a bush on the bank having cast it with unexpected skill far further than I intended. Jonty refused to go after it. "Met a black mamba along here last time I got out. I'm not going in there. I tell you." The long-suffering Max struggled through the undergrowth to retrieve it unperturbed by Jonty's repeated "Watch out for mambas, man".

A hippo surfaced a couple of

hundred metres away and looked curiously at us. Mesmerised, I watched it sigh and disappear only to reappear in another place still watching us. I forgot all about my lure and the fish bass waiting to grab it. When I did remember, it was stuck in the rocks three metres down.

"Go in after it, man," urged Jonty. "1,000 shillings worth of lure down there. That's what I do. Can't afford to lose those things." I looked at the soupy brown water. I thought of the hippo. And the mamba. I decided to call his bluff.

"It's all yours if you want it," I offered.

Jonty grinned. In a flash he was stripped to his underpants. There was an immense splash. The boat rocked. A glimpse of a large pink upturned bottom and two flailing feet and then only bubbles and turbulence alongside. A minute later he surfaced with the lure, chuckled it into the boat and grabbed the gunwale, spouting like a grampus. We all leant far out on the other side to counterbalance his 250lb as he

hauled himself aboard.

When he recovered his breath, I solemnly presented him with the lure. "Nah, you keep it, man. Looks like you'll be needing it more than me this way."

We fished on in the brilliant heat. Cloud darkened on the hills ahead of us and then disappeared in grey curtains of rain shot through with flashes of lightning. Thunder rolled across the water. Jonty was all for staying on. "I tell you before a storm is the best time. That's when the big ones bite. But keep your rods down. Best conductor yet, carbon fibre. Know several mates killed that way."

I decided to exercise the authority of my advancing years. To Jonty's disgust, we sped away from the wall of rain. Looking back, we could see the little bay where we had anchored churned into foam by the storm. We caught no monsters but the three small bass Jonty allowed us to keep were delicious. I hope Max enjoyed the one we gave him as much.

We left Jonty on the pontoon chatting to a man standing alongside another boat. "Hi there, you do me a favour?"